



CapitaLand China Trust

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Integrated Sustainability Report 2021



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Corporate Profile

CapitaLand China Trust (CLCT) is Singapore's largest China-focused real estate investment trust (REIT). 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 was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) on 8 December 2006. The REIT'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's retail properties are strategically located in densely populated areas with good connectivity to public transport. 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 includes a diverse mix of leading brands including ZARA, UNIQLO, Xiaomi, Li-Ning, Haidilao, Nike, Sephora, Starbucks Coffee and Swarovski. 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 transportation. 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.

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.

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.



About This Report

CapitaLand China Trust (CLCT) is Singapore's largest China-focused real estate investment trust (REIT). This is CLCT's maiden Integrated Sustainability Report (ISR), and it aims to provide a comprehensive overview of the organisation's Environmental, Social and Governance (ESG) performance.

INTERNATIONAL STANDARDS AND GUIDELINES

This report is prepared in accordance with the Global Reporting Initiative (GRI) Standards "Core" option, and the Singapore Exchange Securities Trading Limited's (SGX-ST) Listing Manual Rules 711A and 711B. The GRI Standards have been selected as it is an internationally recognised sustainability reporting framework that covers a wide range of disclosures that is relevant to CLCT. This Report incorporated elements of the Integrated Reporting (IR) Framework of the International Integrated Reporting Council and references the Sustainable Development Goals (SDGs) of the United Nations (UN). CLCT has embarked on reviewing and executing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in this Report.

REPORTING SCOPE AND PERIOD

CLCT is managed by CapitaLand China Trust Management Limited (the Manager), a wholly-owned subsidiary of Singapore-listed CapitaLand Investment Limited (CLI), one of Asia's largest diversified real estate groups. The Manager and property management teams that are responsible for the REIT as well as the property and portfolio operations of CLCT, are identified as employees of the REIT. The independent members of the Board (which is part of the Manager) are not employees of the REIT.

This Report covers 22 properties within CLCT's portfolio for the financial period from 1 January 2021 to 31 December 2021 (FY 2021) - 13 retail properties (including two divested in FY 2021), five business parks and four logistics parks properties, unless otherwise stated.

Taking guidance from the operational control as defined by the Greenhouse Gas (GHG) Protocol Corporate Standard, the environmental performance of 15 properties which are under operational control have been covered in this Report. These properties are CapitaMall Xizhimen, Rock Square, CapitaMall Wangjing, CapitaMall Grand Canyon, CapitaMall Xuefu, CapitaMall Xinnan, CapitaMall Nuohemule, CapitaMall Yuhuating, CapitaMall Aidemengdun, CapitaMall Qibao, Ascendas Xinsu Portfolio, Ascendas Innovation Towers, Ascendas Innovation Hub, Singapore-Hangzhou Science & Technology Park Phase I and Singapore-Hangzhou Science & Technology Park Phase II. As the Manager and property management teams do not have operational control of CapitaMall Shuangjing, Shanghai Fengxian Logistics Park, Kunshan Bacheng Logistics Park, Wuhan Yangluo Logistics Park and Chengdu Shuangliu Logistics Park, these properties will be excluded from the calculation of CLCT's environmental performance. CLCT's FY 2021 environmental performance also excludes both CapitaMall Minzhongleyuan and CapitaMall Saihan as these properties were divested in FY 2021 and not operational during the year.

This Report is to be read in conjunction with CLCT's Annual Report 2021.

About This Report

Retail	Business Park	Logistics Park ¹
<ul style="list-style-type: none">• CapitaMall Xizhimen• Rock Square• CapitaMall Wangjing• CapitaMall Grand Canyon• CapitaMall Xuefu• CapitaMall Xinnan• CapitaMall Nuohemule• CapitaMall Yuhuating• CapitaMall Aidemengdun• CapitaMall Qibao• CapitaMall Shuangjing• CapitaMall Minzhongleyuan²• CapitaMall Saihan²	<ul style="list-style-type: none">• Ascendas Xinsu Portfolio• Ascendas Innovation Towers• Ascendas Innovation Hub• Singapore-Hangzhou Science & Technology Park Phase I• Singapore-Hangzhou Science & Technology Park Phase II	<ul style="list-style-type: none">• Shanghai Fengxian Logistics Park• Kunshan Bacheng Logistics Park• Wuhan Yangluo Logistics Park• Chengdu Shuangliu Logistics Park
<p>1 The acquisition of the four logistics properties was completed in November 2021.</p> <p>2 CapitaMall Minzhongleyuan and CapitaMall Saihan were divested in February and June 2021 respectively.</p>		

The Sponsor, CLI, has obtained external assurance over its performance data and the Manager's performance data is included as part of the Sponsor's external assurance engagement. For any enquiries, please contact:

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Sustainability Highlights

DRIVING POSITIVE ENVIRONMENTAL IMPACT

GRESB Real Estate Assessment 2021- Achieved **3 Star Rating** and score of **77** in maiden participation

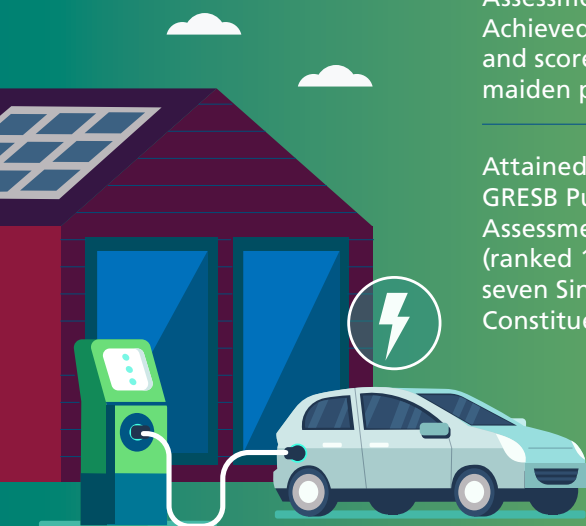
Attained an **"A"** for GRESB Public Disclosure Assessment 2021 (ranked 1st amongst seven Singapore Retail Constituents)

Obtained inaugural sustainability-linked loan of **S\$150 million**. CLCT is the leading REIT in Singapore to pioneer a sustainability-linked loan for a China portfolio

Achieved **Energy and Water intensity reduction of 54.2%¹** and **38.5%¹** (per m² as compared to baseline year 2008 respectively)

Achieved **Carbon emissions intensity reduction¹ of 61.4%¹** as compared to baseline year 2008

78 Electric Vehicle (EV) charging stations installed across our retail and business park assets



NURTURING COMMUNITY & EMPOWERING PEOPLE

Organised over 25 sustainability-related community outreach and tenant engagement programmes at CLCT properties, **empowering more than 8,000 beneficiaries**

Held over **15 fitness activities** at CLCT properties as part of our initiative to promote healthy living amongst our community and staff

Implemented precautionary measures to safeguard the safety and well-being of employees through various initiatives including work-from-home, online engagements and e-learning activities

100% of the employees in Singapore were vaccinated as of FY 2021

100% contractors and suppliers attended in-house safety training, covering topics such as Environmental, Health and Safety and COVID-19 safety measures

Achieved gender balance with around 61.1% and 41.7% female employees of the Manager in Singapore and property management teams in China respectively



1. Subject to changes upon annual internal and external audits conducted by CapitalLand.

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 Sustainability Master Plan, which was launched in 2020, and will be reviewed by the Board of the Manager of CLCT together with management every two years.

The CapitaLand 2030 Sustainability Master Plan 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).

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

We are pleased to present CLCT's first stand-alone Integrated Sustainability Report (ISR) for FY 2021. This Report is an affirmation of our commitment to sustainability and reinforces the view that sustainability is intrinsically linked to how we deliver value to our stakeholders. With this standalone report, we seek to highlight in greater detail our sustainability approach, measures implemented during the year, performance of our material topics, and our ESG targets.

RECOGNISING THE IMPORTANCE OF SUSTAINABILITY

Our sustainability efforts are guided by CapitaLand, one of the leading real estate companies driven by sustainability. Together with the CapitaLand Sustainability Council, we identified and managed the Environmental, Social and Governance (ESG) related issues and considered the key risks and opportunities when formulating the sustainability strategies for CLCT. This includes assessing climate-related risks and opportunities as part of overall environmental risk management to improve business resilience. This approach has been disclosed in this Report in accordance with the TCFD recommendations.

We are also proud to announce the formation of CLCT's Sustainability Management Committee, spearheaded by the CEO and supported by the senior management heads, which aims to further integrate sustainability into all aspects of our business strategy.

Board Message

SOCIAL RESPONSIBILITY

Since the onset of COVID-19, we have stepped up engagement with all stakeholders, ensuring strict compliance with advisories, laws and regulations to safeguard the health and safety of all. This includes increasing the frequency of disinfection and sanitation measures across all CLCT's properties and distributing masks to our tenants and customers. Recognising the impacts of COVID-19 on jobs and livelihoods, Ascendas Xinsu Portfolio collaborated with professional recruitment platforms to conduct annual offline recruitment drives in the park focusing on the modern service industries, including but not limited to information technology, software development, environmental protection and energy conservation. The event was recognised and supported by the Secretary of the Party Working Committee of the Dushu Lake Science and Education Innovation Zone, which is one of the key education hubs in Suzhou.

OUR SUSTAINABILITY MILESTONES AND ACCOLADES

In September 2021, CLCT obtained its maiden sustainability-linked loan of S\$150 million and is the leading REIT in Singapore to pioneer a sustainability-linked loan for a China portfolio.

We are honoured to be conferred a GRESB 3 Star Rating and a score of 77 for our first participation in the GRESB Real Estate Assessment 2021, a global ESG performance benchmark for real estate. In addition, we obtained an "A" for GRESB Public Disclosure Assessment 2021 with a score of 94, ranking 1st amongst seven Singapore Retail Constituents.

These accolades acknowledged our diligent efforts to continuously improve our sustainability performance. We would also like to thank all our stakeholders for their support as we strive to reach greater heights in CLCT's sustainability journey.

Sustainability Commitment

In 2020, CapitaLand unveiled its 2030 Sustainability Master Plan (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-sponsored REIT, CLCT aligns its sustainability objectives and strategies with CapitaLand. 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. CLCT will steer towards the pathways set by CapitaLand and keep adapting its strategies as technologies evolve and new scientific data become available. 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 and will adapt its strategies as technologies evolve and new scientific data become available:



Integrate sustainability in CapitaLand's real estate life cycle

From the earliest stage of its investment process to the design, procurement, construction, operations and redevelopment or divestment of assets, sustainability targets will be embedded in policies, processes, best practices, and key performance indicators of its business operations.



Strengthen innovation and collaboration to drive sustainability

CapitaLand will continue to source globally for new ideas and technologies to meet its sustainability ambitions and work with like-minded partners to create shared values and key performance indicators of its business operations.



Leverage sustainability trends and data analytics

This allows CapitaLand to track critical performance and progress in water usage, waste management, energy consumption, carbon emission, and health and safety. These measurements along with social indicators are key to driving performance improvement across its operating properties and development projects.



Monitor and report progress to ensure transparency

As CapitaLand tracks its sustainability progress, it will continue to validate its performance by external assurance and align its Global Sustainability Report to international standards.



Increase engagement and communication with key stakeholders

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

Sustainability Commitment

PUSH BOUNDARIES OF CHANGE

To push the boundaries of change, CapitaLand will transit to a low-carbon business that is aligned with climate science. In November 2020, it had its carbon emissions reduction targets approved by the Science Based Targets initiative (SBTi) for a 'well-below 2°C' scenario. The targets are in line with the goals of the Paris Agreement to keep global temperature rise well below 2°C in this century. CapitaLand is also developing a new metric, Return on Sustainability, in addition to the regular financial return to measure the CapitaLand's ESG impact.

CapitaLand has also launched the inaugural CapitaLand Sustainability X Challenge (CSXC), the first sustainability focused innovation challenge by a Singapore headquartered real estate company that globally sources for emerging sustainability technologies and solutions in the built environment. The CSXC covers seven challenge statements and reflect the key themes and goals in CapitaLand's 2030 Sustainability Master Plan.

CapitaLand aims to be a leader in sustainable finance and secure S\$6 billion of sustainable financing by 2030. Proceeds and interest rate savings from CapitaLand's efforts in sustainable finance can also be used to drive more sustainability initiatives and innovations within the company.

MEASURED AGAINST GLOBAL BENCHMARKS

CapitaLand was one of the first companies in Singapore to voluntarily publish an annual Global Sustainability Report and externally assure the entire report. Benchmarking against an international standard and framework that is externally validated helps the organisation to overcome the challenges in sustainability reporting that may arise from its portfolio of diverse asset types and geographical presence globally.

CapitaLand is also a signatory to the United Nations (UN) Global Compact and its Global Sustainability Report serves as its Communication on Progress, which will be made available at www.unglobalcompact.org when published.

For its efforts, CapitaLand is listed in the Global 100 Most Sustainable Corporations Index, Dow Jones Sustainability World Index and Asia-Pacific Index, Global Real Estate Sustainability Benchmark (Global Sector Leader, Diversified- Listed), FTSE4Good Index Series, MSCI Global Sustainability Indexes and The Sustainability Yearbook. CapitaLand Global Sustainability Report 2021 will be published by 31 May 2022.



CapitaMall Aidemengdun

STRATEGIC SUSTAINABILITY MANAGEMENT STRUCTURE

CapitaLand's sustainability management comes under the purview of the CapitaLand Sustainability Council. The Sustainability Council comprises selected CLI Board's independent directors and members of the CapitaLand Executive Committee. It is supported by the Group Sustainability Office and various work teams to drive continued progress and improvement in the areas of ESG. It was chaired by one of CLI Board's independent directors and member of its Executive Resource and Compensation Committee and Risk Committee. The work teams comprise representatives from CapitaLand business units (BU) and corporate functions. Each BU has its own Environmental, Health and Safety (EHS) Committee to drive initiatives in countries where the CapitaLand operates with support from various departments.

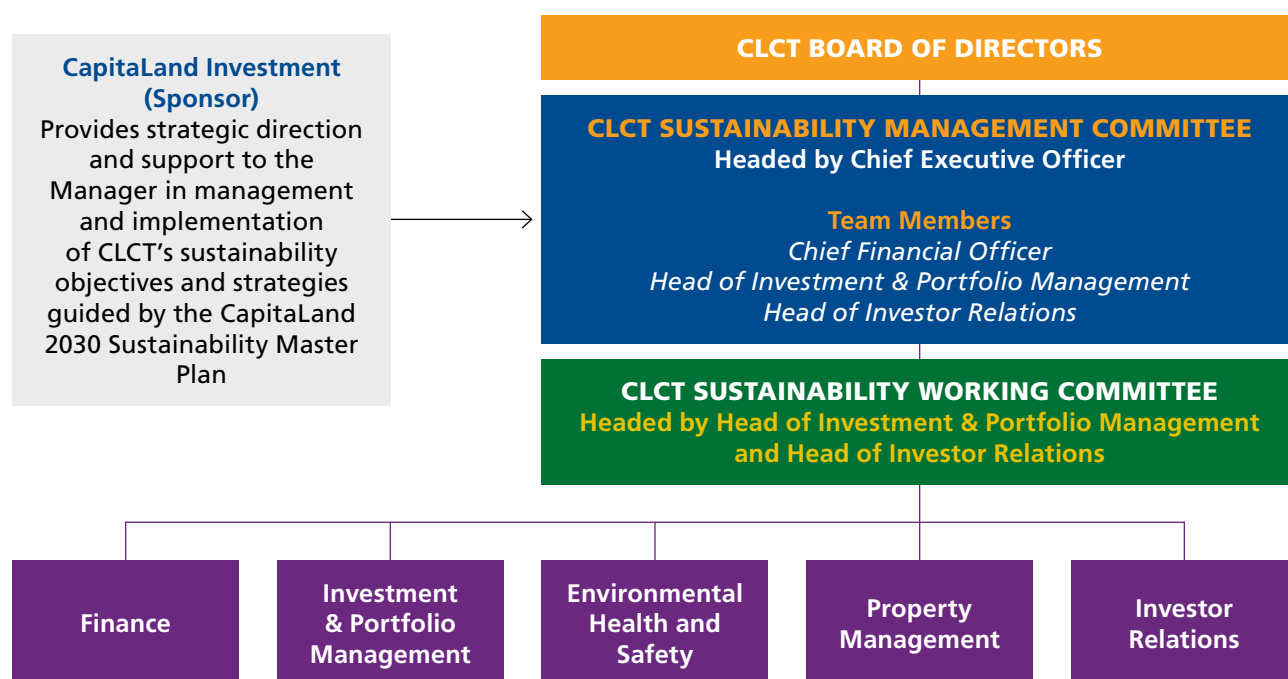


CLCT'S SUSTAINABILITY MANAGEMENT STRUCTURE

Within the Manager, a Sustainability Management Committee (SMC) was established to allow greater focus on sustainability and climate-related matters for 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 also responsible for providing timely and regular updates on the REIT's sustainability matters to CLCT's Board of Directors.

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 per CapitaLand's sustainability framework and policies.

Board, Top Management and Staff Commitment and Involvement



CAPITADNA Vision, Mission, Credo and Core Values



Materiality

As CLCT is a CLI-sponsored REIT, CapitaLand's ESG material issues have been deemed material and applicable to CLCT's business and operations. CapitaLand has a regular review, assessment and feedback process in relation to ESG topics. Key to this is an annual CapitaLand-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 the 2030 Sustainability Master Plan, CapitaLand elevated its commitment to global sustainability in the built environment, identifying and reviewing material issues that are most relevant

and significant to CapitaLand and its stakeholders. With the restructuring of CapitaLand into CapitaLand Investment Limited (CLI) and CapitaLand Development Pte. Ltd. (CLD), these ESG material issues are prioritised based on the likelihood and potential impact of issues affecting business continuity of CLI. The Board of the Manager of CLCT is responsible for reviewing these material ESG factors and takes them into consideration when determining CLCT's strategic direction and priorities. The Board also oversees the management and monitoring of the material ESG factors. For external stakeholders, priority is given to issues important to the society and applicable to CLI. For more information on stakeholder engagement, please refer to the Social and Relationship Capital chapter on page 33 to 36 of this ISR.

PRIORITISATION OF ESG MATERIAL ISSUES

MATERIAL ESG FACTORS/INDICATORS

Environmental

CRITICAL

- Climate change and carbon reduction
- Energy efficiency
- Water management

MODERATE AND EMERGING

- Waste management
- Biodiversity

Social / Labour Practices

CRITICAL

- Occupational health & safety
- Human capital
- Stakeholder engagement
- Supply chain management
- Diversity (board and staff)

MODERATE AND EMERGING

- Human rights

Governance

CRITICAL

- Products and services (incl. customer health and safety)
- Compliance
- Business ethics

Strategy and Key Objectives

CLCT'S INVESTMENT STRATEGY

CLCT is committed to delivering long-term sustainable distributions to Unitholders. Our forward-looking portfolio reconstitution strategy is closely aligned with China's dual circulation strategy, which focuses on growing exports and domestic consumption. As Singapore's largest China-focused REIT with a diversified portfolio of retail, business park and logistics assets across 12 prominent top tier cities, CLCT is well poised to capture China's economic 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.

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

The Guiding Principles of the International Integrated Reporting Council (IIRC) Framework were referenced in this report and the material ESG issues are grouped into six Capitals – Environmental, Manufactured, Human, Social & Relationship, Organisational and Financial. These Capitals are mapped against eight UN SDGs that are most aligned with the CapitaLand Sustainability Master Plan 2030 targets, and where CLCT can achieve the greatest positive impact.



Singapore-Hangzhou Science & Technology Park Phase I

Strategy and Key Objectives

CAPITALS



ENVIRONMENTAL CAPITAL

- Carbon Emissions
- Energy Management
- Water Stewardship
- Waste and Resource Management



MANUFACTURED CAPITAL

- Environmentally Sustainable, Healthy, Safe and Accessible Quality Buildings
- Innovative and Sustainable Construction Methods and Technologies



HUMAN CAPITAL

- Health and Safety
- Job Creation and Security
- Learning and Development
- Benefits and Remuneration



SOCIAL & RELATIONSHIP CAPITAL

- Stakeholder Relations
- Social License to Operate
- Community Development
- Cross-Sectoral Partnership



ORGANISATIONAL CAPITAL

- Leadership and Culture
- Corporate Governance
- Risk Management



FINANCIAL CAPITAL

- Sustainable Financing
- Earnings
- Equity
- Investments
- Assets

BUSINESS MODEL

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

2021 VALUE CREATED

- Achieved Carbon emissions intensity reduction of 61.4% as compared to baseline year 2008
- Achieved Energy and Water intensity reduction of 54.2% and 38.5% (per m² as compared to baseline year 2008 respectively)
- Installed 78 Electric Vehicle (EV) charging stations across our retail and business park assets
- Introduced energy and water intensity reduction technologies
- Incorporated waste reduction and recycling initiatives in properties
- Continued to enhance implementing the recommendations of the TCFD and improve TCFD reporting (more information can be found in the TCFD Recommendations under Appendix, pg 41)

- Sizeable, quality asset and resilient portfolio
- **CREATE VALUE:** Maiden entry into Logistics Parks sector with acquisition of four logistics parks properties for RMB1,683 million
- **UNLOCK VALUE:** Divested non-core asset CapitaMall Minzhongleyuan and CapitaMall Saihan in February and June 2021 respectively for RMB918 million
- **EXTRACT VALUE:** Enhanced returns through on-going innovative Asset Enhancement Initiatives at CapitaMall Yuhuating and CapitaMall Wangjing
- Secured leases with retail, business parks and logistics tenants from diverse industries
- Retained ISO 14001 and ISO 45001 certification
- Usage of Environmental Management Systems to manage environmental impact and occupational health and safety impact
- Provide support for tenants with CapitaStar Programme

- Total workforce strength of 543 employees in Singapore and China, comprising 313 male and 230 female employees
- Zero incident resulting in fatality and permanent disability for CLCT staff and contractors

- Maintained good rapport with various stakeholders (suppliers, employees, customers) through proactive communication and engagement activities
- All suppliers complied with applicable laws and regulations including environmental and safety requirements
- Enhanced customer experience through suite of engagement activities
- Organised over 25 community outreach and tenant engagement programmes at CLCT properties, empowering more than 8,000 beneficiaries
- Held over 15 fitness activities at CLCT properties as part of our initiative to promote healthy living amongst our community and staff

- Zero reported incident relating to discrimination, child labour or forced labour
- Tracked ethics-related incidents
- Retained ISO 14001 certification in Singapore and China
- Collaborated with 60 main contractors that are ISO 14001 certified
- GRESB Real Estate Assessment 2021- Achieved 3 Star Rating and score of 77 in maiden participation
- Attained an "A" for GRESB Public Disclosure Assessment 2021 (ranked 1st amongst seven Singapore Retail Constituents)

- Obtained inaugural sustainability-linked loan of S\$150 million. CLCT is the leading REIT in Singapore to pioneer a sustainability-linked loan for a China portfolio
- Delivered strong distributions and achieved long term capital stability
- Ensured access to various sources of funds at competitive rates with sound financial metrics
- Well-mitigated against interest rate and identified risks



Sustainability During COVID-19

NAVIGATING COVID-19 WITH STAKEHOLDERS

CLCT rolled out numerous measures to control the outbreak and ensure business continuity across all properties. Mask-wearing, green health QR code scanning for contact tracing and temperature screening were made compulsory for visitors and employees. CLCT's properties undergo thorough cleaning, with additional frequency imposed on key areas such as elevators and toilets. Air conditioning and ventilation systems are disinfected and cleaned weekly.

If tenants and/or visitors are found to test positive for COVID-19, the individuals will be isolated and the affected areas will be closed for disinfection. Apart from regular cleaning, CapitaMall Nuohemule utilised robots provided by the Hohhot Bureau of Commerce to disinfect and maintain clean air quality.

CLCT has designated COVID-19 Emergency Testing Points and held vaccination drives for employees across its properties to support governmental measures.

Other COVID-19 initiatives implemented in the year include:

- COVID-19 emergency drills that ensure employees are able to limit the spread of COVID-19 and conduct regular inventory checks on personal protective equipment such as masks
- Distribution of vaccination pamphlets and updating the community of tenants' vaccination status
- Distribution of masks and care packages to tenants and visitors
- Daily disinfection of public areas at regular intervals, with increased frequency for high contact areas such as elevator buttons, door handles, elevator cars, toilets, and fire passages
- Training on COVID-19 control and preventive measures for employees and suppliers



Distribution of food to front-line workers by CapitaMall Yuhuating's tenants



Robots have been utilised for the disinfection and maintenance of clean air in CapitaMall Nuohemule

Sustainability During COVID-19

THOROUGH DISINFECTION AT CAPITAMALL XIZHIMEN

CapitaMall Xizhimen was closed from 20 January 2021 to 27 January 2021 for a thorough disinfection as a COVID-19 patient visited its premises in early January. To ensure a safe environment within the mall, CLCT enlisted the Xicheng Centre for Disease Control and Prevention to conduct testing on 1,373 personnel and obtained 96 environmental samples, of which all tests returned negative. Upon completion of a comprehensive professional disinfection service, the mall swiftly reopened for business on 27 January 2021.



Thorough cleaning conducted at CapitaMall Xizhimen prior to the reopening of CapitaMall Xizhimen

CARING FOR OUR TENANTS: DISTRIBUTION OF CARE PACKAGES AND FIRST AID KITS

As part of Ascendas Innovation Towers' and Ascendas Innovation Hub's COVID-19 initiatives, care packages were distributed to tenants in February 2021. The care packages included masks, antiseptic and alcohol gel items. In addition, tenants with the Capitastar app received complimentary first-aid kits.



Distribution of care packages and first aid kits to tenants to ensure their health and safety

Environmental

Material Issues



**CLIMATE
CHANGE AND
ENERGY**



WATER



WASTE



BIODIVERSITY

Policy

- Environmental Health and Safety Policy

Accountability

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

Action Plan

- Ensure compliance with laws and regulations
- Identify relevant environmental aspects and manage impact
- Implement Sustainable Building Guidelines (including the updated Environmental, Health and Safety Impact Assessment and consulting with stakeholders)
- Appoint ISO14001 certified main contractors or to comply fully with local environmental laws and regulations

Environmental

ENVIRONMENTAL AND MANUFACTURED CAPITAL

Our Approach to Environmental Management

CLCT is aligned with CapitaLand's commitment to minimise its environmental impact and contribute towards desired positive outcomes for the benefit of stakeholders.

CLCT strives to implement and integrate environmentally friendly features in its properties and improve overall energy efficiency. The asset enhancement initiatives (AEI) undertaken also consider environmental sustainability. Monitoring environmental impact is an important part of CLCT's business operations, as the efficient use and management of environmental resources such as energy, water and waste contributes to higher efficiency and sustainability of CLCT's portfolio.

Managing Environmental Footprint

CapitaLand's Environmental Management System (EMS) is a key tool in managing CLCT's environmental footprint across its portfolio. The EMS is integrated with CapitaLand's Occupational, Health and Safety Management System (OHSMS) to form CapitaLand's Environmental, Health and Safety Management System (EHSMS) that complies with ISO 14001 and ISO 45001 standards. The ISO 14001 and ISO 45001 standards are recognised internationally for the environmental management of businesses and

occupational health and safety management of businesses respectively.

Risk Management of Environmental Aspects and Impact

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.

CLCT strives to minimise impacts such as resource depletion, carbon emissions and waste generation. This is achieved by setting green building rating and environmental performance targets and implementing various measures to achieve them. The targets are linked to the remuneration for staff including top management.

Training and Awareness

To facilitate effective implementation of CapitaLand's EHSMS, training and awareness programmes are conducted for all CLCT's staff. In FY 2021, CLCT achieved a participation rate of 91% 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 Audits

As a CLI-sponsored REIT, CLCT taps on the internal audit system by CapitaLand to ensure that the implementation of its EMS is effective and aligned to the ISO 45001 standards. CapitaLand also 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.

Sustainable Building Guidelines

CLCT adheres to CapitaLand's Sustainable Building Guidelines (SBG) guides for all its 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 main objectives:

CAPITALAND'S ENVIRONMENTAL, HEALTH AND SAFETY (EHS) POLICY

As a CLI-sponsored REIT, CLCT is committed to protecting the environment and upholding the occupational health and safety (OHS) 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 employees, tenants, suppliers, service providers and partners.

Environmental

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

A key component of the SBG is the mandatory Environment, Health and Safety Impact Assessment (EHS IA). 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 relating to Environment, Health and Safety and adopts mitigation measures at an early stage. CapitaLand 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.

Green Certification Targets

CLCT has commenced working plans to achieve green certifications for its portfolio by 2030. This is in line with CapitaLand's target to green all its existing properties by 2030, with each property achieving a minimum certification level by a green rating system administered by a national government ministry/agency or the World Green Building Council.

Green Lease

CapitaLand also aims to roll out its green lease programme (currently implemented at its Singapore properties) across its properties globally, including CLCT-managed assets, and work with its tenants to improve their sustainability performance.

Our Environmental Performance¹

Environmental Tracking System (ETS)

Since 2008, CLCT has been tracking the environmental performance of its properties, including energy and

water usage, carbon emissions and waste generation via CapitaLand's online Environmental Tracking System (ETS). Additionally, energy and paper consumption at CapitaLand's corporate offices in Singapore and China are monitored with the ETS. The ETS is also used to survey the various initiatives implemented at CLCT's properties, including efficiency measures, biodiversity and habitat risks, water management and flood risk.

The property management teams of CLCT assets submit monthly data and upload supporting documentation in the ETS. The consolidated data is analysed against reduction targets. This facilitates a better understanding of consumption patterns and identification of areas for eco-efficiency improvements.

Energy Consumption and Intensity

CLCT's total energy consumption comprises direct energy consumption (fuel consumption for maintenance of diesel generator) and indirect energy consumption (purchase of electricity and heating).

In FY 2021, CLCT's total energy consumption increased by 21.3% Year-on-Year (YoY) to 85.2 GWh, with indirect energy consumption accounting for approximately 87.3% of the figure. This increase is attributed to the addition of five business parks to CLCT's portfolio in 2021.

CLCT recorded an energy consumption intensity of 5.5 kWh/m²/month in 2021, which translates to 54.2% reduction in energy consumption intensity compared to the 2008 baseline.

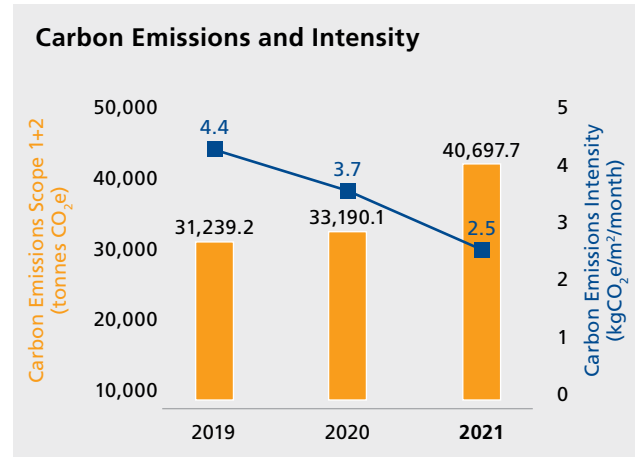
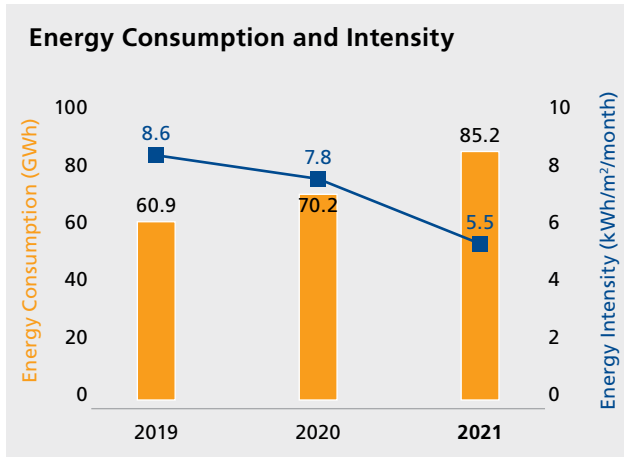
CLCT is in the progress of exploring opportunities to generating electricity from renewable sources at its properties.

Carbon Emissions and Intensity

Similarly, due to the acquisition of five business park properties, CLCT's total scope 1 and scope 2 carbon emissions¹ in 2021 increased by 22.6% YoY to 40,697.7 tonne CO₂e. CLCT recorded a carbon emissions intensity of 2.5 kgCO₂e/m²/month in 2021, which translates to a 61.4% reduction in carbon emissions intensity compared to the 2008 baseline.

1. Subject to changes upon annual internal and external audits conducted by CapitaLand.

Environmental



INCREASING CAPACITY OF ELECTRIC VEHICLES CHARGING STATIONS IN PROPERTIES



Electric Vehicle charging station at Ascendas Xinsu Portfolio, with more being explored

Understanding the needs of our environmentally conscious shoppers and tenants, 78 EV charging stations have been installed across CLCT's retail and business park portfolio including Ascendas Xinsu Portfolio, CapitaMall Grand Canyon, CapitaMall Xuefu and most recently, at CapitaMall Xinnan.



REDUCING SOLAR HEAT AND RADIATION IN CAPITAMALL NUOHEMULE AND CAPITAMALL QIBAO



Metal panels placed on glass panels on CapitaMall Nuohemule

In September 2021, CLCT installed automated metal panels on the glass roof of CapitaMall Nuohemule. These panels serve as a sunshade to reduce solar heat and radiation. Time sensors were also installed on the air conditioning systems, keeping operations to 10 hours daily instead of 24/7, resulting in a 5% energy reduction since its installation.

Similarly, CLCT installed sunscreens on the glass roof of CapitaMall Qibao from June to September 2021 and observed an average temperature decrease of 0.5°C in summer.



Water Consumption and Intensity

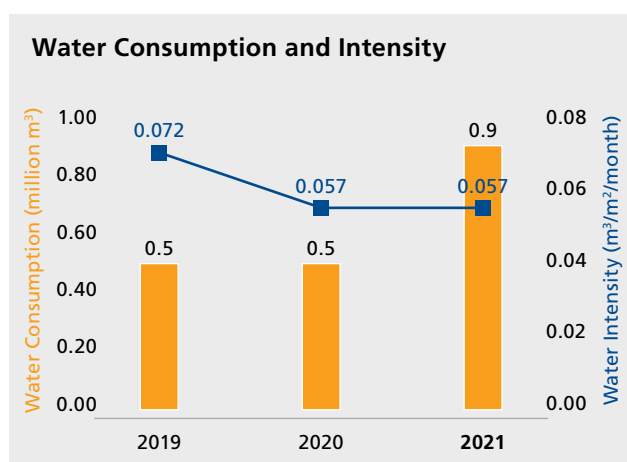
CLCT is committed to reducing total water consumption and overall water intensity across its portfolio. For CLCT properties, water is withdrawn from local municipal sources, and used in building systems such as irrigation and air-conditioning. Proper water management ensures minimal wastage and promotes responsible use of this precious resource; as part of CapitaLand's Sustainability Master Plan 2030, these initiatives have been rolled out in CLCT's retail malls and business parks:

- Lowered flush volumes and water-efficient faucets
- Replaced corroded fixtures
- Installed automatic irrigation systems
- Installed video surveillance and remote meters on water supply and air conditioning systems to monitor water consumption in real-time

Across all properties, the property management teams conduct regular checks across water features and monitor water usage closely such that any fluctuations or anomalies can be identified and acted upon promptly.

To increase awareness of water-saving initiatives, CLCT conducted quarterly operational meetings with tenants and employees in the year to reinforce the importance of water conservation and share water reduction measures.

In FY 2021, CLCT's total water consumption in 2021 increased by 68.5% YoY to 0.9 million m³. This is due to the acquisition of the business parks and increase in water usage for cleaning and disinfection purposes amid the COVID-19 pandemic, to ensure the health and safety of staff and visitors to CLCT's properties.



In terms of intensity, CLCT recorded a water intensity of 0.057 m³/m²/month in 2021, which translates to 38.5% reduction in water consumption intensity compared to the 2008 baseline.

Operational Waste

CLCT aims to play its part by managing waste at its properties responsibly. As waste generated at its operational properties is mostly from its tenants, shoppers and the general public, CLCT engages its stakeholders through various means to reduce and recycle waste. Recycling and disposal bins for each type of waste (construction, food, hazardous and all other waste) are available at its properties.

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

In FY 2021, a total of 8,400.3 tonnes of non-hazardous waste was collected within CLCT, of which 12.5% (equivalent to 1,046.9 tonnes) were recyclable waste comprising paper, plastic, metals and other materials. CLCT will continue to implement measures to reduce waste generation and increase recycling rate across its portfolio.

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 its corporate office. As part of the drive to encourage sustainability practices, CLCT's ISR is not printed and it is made available on its website.

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-sponsored REIT, CLCT leverages on CapitaLand's commitment to preserve the environmental integrity of its 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.

Environmental

CLCT also collaborated with schools to cultivate environmental awareness in youth. Through performances and games, students learned about how their actions would affect the environment and the ways to minimise harmful impacts. Activities such as tree planting, community clean-ups and environment-focused exhibitions were also organised for properties' employees, tenants, and visitors.

In 2021, CLCT collaborated with the Beijing Aquarium to hold a "Save the Ocean" exhibition at CapitaMall Xizhimen. To promote the exhibition, an art competition was organised on 1 June 2021 (Children's Day). The event saw participation from over 30 children, with winners receiving entrance tickets to the exhibition and aquarium. Separately, 30 families were invited for a painting activity within the exhibition to create awareness about protecting the marine environment and its creatures. Jellyfish and fish décor were hung from the second and third floors of the mall to promote appreciation for the different marine creatures.



(Left) Art Competition on 1 June 2021, (Right) Posters displayed around the CapitaMall Xizhimen to promote appreciation for marine creatures

CLCT'S PERPETUAL ENVIRONMENTAL TARGETS AND FY 2021 PERFORMANCE

Indicators	Perpetual Targets	FY 2021 Performance
Environmental Management System (EMS)	<p>Maintain ISO 14001 certification for its EMS</p> <p>Manage risks of environmental impact</p>	<p>Retained ISO 14001 certification in Singapore and China</p> <p>EMS is audited annually, providing assurance to top management and external investors on CLCT's compliance and alignment to best practices</p>
Supply Chain Management	<p>All main contractors engaged are to be ISO 14001 certified, or to comply fully with local environmental laws and regulations, and audited annually by an independent accredited assessor</p>	<p>60 main contractors engaged in 2021 are ISO 14001 certified</p>
Stakeholder Engagement	<p>Organise environmental outreach activities to encourage an environmental conscious mindset among staff and stakeholders</p>	<p>Organised over 25 sustainability-related community and tenant engagement programmes at CLCT properties, empowering more than 8,000 beneficiaries</p>

Environmental

CLCT'S LONG-TERM ENVIRONMENTAL TARGETS AND FY 2021 PERFORMANCE

2030 Targets	FY 2021 Performance
Achieve minimum green ratings for all properties	In progress to obtain green ratings for all properties
Reduce carbon emissions ¹ intensity to 78% ²	In progress, currently achieved reduction of 61.4% ² of carbon emissions intensity
Reduce energy consumption intensity to 35% ² in our day-to-day operations	In progress, currently achieved reduction of 54.2% ² of energy consumption intensity
Reduce water consumption intensity to 45% ² in our day-to-day operations	In progress, currently achieved reduction of 38.5% ² of water consumption intensity
Achieve 25% recycling rate in our day-to-day operations	In progress, currently achieved 12.5% of recycling rate



Kunshan Bacheng Logistics Park

1. Carbon Emissions mostly from purchased electricity consumption under scope 2, and some direct energy consumption under scope 1 as defined by the Greenhouse Gas (GHG) Protocol (operational control approach).
2. Relative to 2008 baseline.

Social

Material Issues



WORKPLACE HEALTH AND SAFETY OF CLCT STAFF



SAFETY OF PROPERTIES FOR STAKEHOLDERS (INCLUDING SHOPPERS, TENANTS & EMPLOYEES)



SUPPLY CHAIN MANAGEMENT

Policy

- EHS Policy
- Procurement Policy
- Supply Chain Code of Conduct
- CapitaLand Social Charter
- Unitholders' Communication and Investor Relations Policy

Accountability

- The CEO of CLCT is accountable
- International Organization for Standardization (ISO) 45001 certified OHS Management System ensures accountability to relevant managers and staff
- Key Performance Indicators (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 (DfS)
- Ensure safe operations through implementation of OHS Standard Operating Procedures (SOPs)
- Appoint ISO 45001 certified main contractors to conduct OHS legal compliance audit onsite
- 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 CapitaLand staff and contractor
 - > Stakeholder engagement

HUMAN CAPITAL

Risk Management of OHS Hazards

CLCT values the occupational health and safety of our employees and stakeholders. Effective OHS management is part of risk management and has the potential to enhance staff productivity, morale and overall well-being. CLCT adopts CapitaLand's Occupational Health and Safety Management System (OHSMS), which is accredited to the international ISO 45001 Standards. A key component of the OHSMS is to identify OHS hazards and assess their risks. CLCT strives to minimise and eliminate potential risks through the implementation of Hazards Identification and Risk Assessment (HIRA). OHS hazards were identified to integrate mitigation measures to the functions of CLCT's operations.

Top Management Commitment and Staff Involvement

CapitaLand champions OHS with commitment from the top management and staff participation through an integrated EHS Management System and stakeholder engagement activity. CLCT's CEO is accountable for the OHS performance of CLCT. All staff are encouraged to take ownership of OHS issues and be proactive in reporting all OHS-related incidents, including non-compliances and non-conformities.

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

Internal and External Audits

As a CLI-sponsored REIT, CLCT taps on the internal audit system by CapitaLand to ensure that the implementation of its OHS Management System is effective and aligned to the ISO 45001 standards. Legal requirements are reviewed on a quarterly basis, and compliance to these requirements are evaluated annually.

Training and Awareness

To facilitate the effective implementation of its OHS Management System, training and awareness programmes are organised for CLCT's staff, with topics that include safety and emergency response, fire-fighting and defensive driving.

Training sessions were also conducted for CLCT's contractors and suppliers, as part of CLCT's efforts to foster a more environmentally conscious and safe

culture for its stakeholders. For example, Industrial Park Safety Department conducted a safety training for CLCT's resident contractors and long-term suppliers, covering electrical safety, fire safety, maintenance inspection, and property laws and regulations. A total of 40 contractors and 12 long-term suppliers participated in this safety training in FY 2021.

Contractors are required to comply with strict safety regulations. It is mandatory to conduct safety briefings prior to any work commencement and all personnel involved must be equipped with proper personal protection equipment including safety boots, helmet and gloves. CLCT strictly enforces these regulations with regular inspections to ensure the health and safety of its stakeholders.

All employees of Ascendas Xinsu Portfolio undergo health and safety training annually, to ensure employees are equipped with the necessary skills to protect themselves. The theme for 2021 was defensive driving and civil defence safety training. Conducted in April, the defensive driving course was aimed at enhancing the driver's skills through the introduction of techniques to minimise danger that might arise from other vehicles or road users. The civil defence safety training conducted in September was aimed at increasing employees' knowledge on the steps to take during an emergency, such as an earthquake, and also to educate employees on general civil defence knowledge. In total, more than 80% of employees attended the trainings.

CLCT monitors the OHS performance of staff, including contract and part-time workers, who are involved in the daily operations and management of its properties.

In 2021, there were two work-related injuries¹ involving CLCT's staff, mostly from the operations team, which translates into an injury rate of 1.8 (number of work-related injuries per million hours worked). In FY 2021, there were zero work-related fatalities, high consequence injuries and occupational diseases recorded. Thorough investigations were conducted where possible, and all necessary follow-up actions have been taken. As part of its OHS Management System, CLCT will continue to monitor its OHS performance, reinforcing safety standards and fine-tuning its SOPs for further improvements.

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

Social

Supply Chain Management

CLCT works closely with its contractors and suppliers, who are committed to comply with high quality environmental, health and safety standards. Contractors are only appointed if it meets the Group's stringent selection criteria. The Manager adopts the CapitaLand Procurement Policy, and the CapitaLand Supply Chain Code of Conduct to ensure responsible operations in the areas of anti-corruption, human rights, health and safety, as well as environmental management. A structured procurement process is implemented with contracts awarded after rigorous tender selection involving a balanced evaluation of financial and non-financial criteria including safety requirements.

All vendors are 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. Vendors are required to submit a copy of their risk assessment and are required to comply with the local government and other legal requirements. Contractor house rules stipulate requirements that cover the deployment of personal protective equipment, reporting of accidents and the proper disposal of debris and toxic waste.

CLCT abides to CapitaLand's Supply Chain Code of Conduct and aims to encourage suppliers to operate responsibly in the areas of anti-corruption, human rights, health and environmental management.

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. Suppliers must also endorse the Safety Management Agreement, which outlines the organisation's emergency response, safety and fire protection requirements.

CLCT conducted monthly evaluations, 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 were monitored and graded against a scoring system agreed in the contract.

Tenants are required to comply with fire rating requirements, and all decorative items must meet

a minimal fire protection grade. CLCT conducts inspections during the installation process and will halt any works until any non-compliance is rectified.

Human Rights

As a CLI-sponsored REIT, CLCT adopts CapitaLand's integrated human capital strategy to recruit, develop and motivate staff. Key performance indicators (KPI), both for the business as well as for people development, are in place to ensure that staff's performance goals are aligned with the Group's business objectives. Staff are provided with the appropriate development opportunities to perform well in their jobs.

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

Anti-Child Labour and Anti-Forced Labour

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

In 2021, CLCT had no reported incident relating to discrimination, child labour or forced labour, and no staff was below the age of 16.

Gender Diversity and Pay Parity

CLCT's workforce in Singapore and China comprises of 57.6% male employees and 42.4% female employees, with close to 50% of female managerial staff represented at the middle and senior management levels.

CLCT rewards male and female employees fairly based on merit, ability, and experience for comparable roles across the organisation's hierarchy. CLCT

Social

adopts CapitaLand's incentive system that focuses on performance and is gender-agnostic. Staff pay is also benchmarked against the market, based on job roles using gender-neutral pay surveys provided by independent remuneration consultants.

Diversity and Inclusion

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

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 CapitaLand's re-employment policy of extending employment to staff who have reached the mandatory retirement age but are still able and willing to continue contributing to CapitaLand.

Respect for Freedom of Association

CapitaLand respects its staff's right to freedom of association and to be members of trade unions. In Singapore, CapitaLand is guided by the Industrial Relations Act that allows the representation of staff by trade unions for collective bargaining, thus providing them with an avenue to seek redress for any industrial disputes. CapitaLand and the unions enjoy a cordial working relationship, promoting positive working conditions and improving productivity for the mutual benefit of CLCT and its employees.

Positive Work Environment

CLCT recognises that a positive work environment is essential to attract, motivate and retain talent. It leverages on CapitaLand'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

CapitaLand's wholly owned lodging business unit's properties. Part-time and temporary staff are also entitled to the same benefits on a pro-rata basis. Its robust performance management system ensures that all staff receive regular performance and career development reviews.

All CLCT's staff are entitled to parental leave. In FY 2021, 12 eligible female staff went on maternity leave and five¹ returned to work in the same period. CLCT also provides paid paternity leave to all male staff, where practicable with no male staff taking paternity leave in 2021. In FY 2021, 11 out of 12 female staff who took maternity leave continued to work in CLCT 12 months after they returned from maternity leave.

Fair Remuneration

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

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

CLCT rewards and motivates staff with a comprehensive and competitive compensation package and benefits programmes implemented by CapitaLand. CapitaLand's overall annual variable bonus pool is determined based on the Group's achievement against a holistic set of quantitative

1. This figure excludes staff whose paternity/maternity leave crossed over into FY 2022 and hence have not returned to work in FY 2021.

and qualitative targets in the balanced scorecard dimensions of Financials, Execution, Future Growth, Talent Management and Sustainability (including Environment, Social and Governance factors). These are cascaded down throughout the organisation including CLCT. In view of the COVID-19 crisis, additional performance measures were introduced relating to preparing and positioning CapitaLand for recovery, protecting the well-being of employees and the community, and managing stakeholders.

The amount of bonus awarded to CLCT's 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 profitability and shareholder return targets of CapitaLand.

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.

CLCT monitors the movement of its workforce closely. In 2021, staff turnover rate was 22.2% in Singapore and 28.8% in China. More than 44.4% of staff in Singapore and 48.2% in China have been with CLCT for five years or longer. CLCT also interviews exiting staff as part of its continuing efforts to improve CapitaLand's retention policies and initiatives.

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. Quarterly staff communication sessions by CapitaLand's CEO allow the Group's senior management team to communicate and interact with staff. These sessions are broadcast live to CapitaLand offices globally.

Following the successful restructuring of CapitaLand into CapitaLand Investment Limited (CLI) and CapitaLand Development Pte. Ltd. (CLD), CLCT's employees were invited to participate in a Pulse Survey conducted by CapitaLand in November and December 2021 to gather their feedback and to understand the ground sentiments on the restructuring.

BINGO CHALLENGE- STAY HOME STAY FUN





A Bingo Challenge was organised in June 2021 to keep CapitaLand staff connected while working from home. This challenge was open to all employees and participants were required to complete various activities listed on their chosen scorecard, such as participating in cooking and workout sessions. Participants had to share photos and videos to be able to win attractive prizes. The top 20 submissions were rewarded with a limited-edition CapitaLand-Under Armour shoe bag.

Active participation during the Bingo Challenge helped to facilitate and encourage interaction amongst staff while working from home

SUPPORTING EMPLOYEE WELL-BEING: LAUNCHING OF MENTAL HEALTH CARE GUIDE

CapitaLand introduced its very own Mental Health Care Guide, which aims to equip employees with information on the different aspects of mental health. Employees can check out upcoming events, learn how to improve mental wellness, and even play a game to discover their mental age. The site also lists an internal network of Mental Wellness Ambassadors (MWAs) and contact details of external agencies employees can approach for support.



To commemorate World Mental Health Day 2021 (10 October 2021), employees including CLCT's staff are encouraged to spend 5 minutes ('TAKE 5') learning more about mental health or practising small acts of self-care. Employees could access the various talks lined up by community providers and learn how to prioritise their routine and activities to improve their mental health.



Mental health guide is made available for all CapitaLand employees to develop awareness and provide assistance, if required

Talent Management

CLCT seeks innovative, dynamic and talented staff to take the REIT 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. CLCT continuously builds its management bench strength through the identification of high potential talent as part of its regular leadership development and succession planning process.

In 2021, 105 staff were hired, consisting of 50.5% male and 49.5% female employees. 37.1% of the new hires were below 30 years old, 61.9% were between 30 to 50 years old and 1.0% were above 50 years old. All staff receive regular performance and career development reviews, and CLCT closely monitors its staff's progress to guide them in performance improvement.

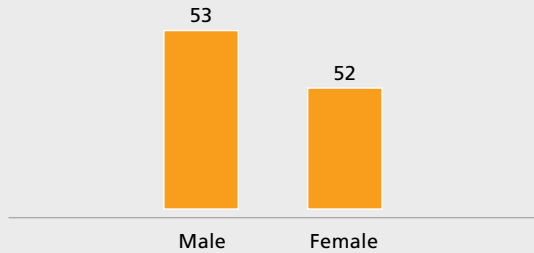
CLCT rides on CapitaLand's initiatives to ensure that all staff understand CapitaLand's core values and

principles that shape the way we work and function. To facilitate employees' development, a variety of comprehensive training and development programmes at multiple levels are organised for CLCT's staff; these include joint training programmes with training providers such as NTUC Learning Hub. In FY 2021, 100% of Singapore's and 99% of China's staff attended at least one learning event, and the average training hours completed by each employee was 103.4 hours. Moving forward, CLCT will work towards ensuring more staff achieve the target.

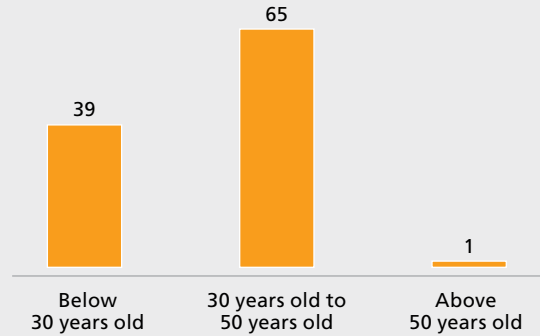
To encourage employee development, all CLCT's employees receive regular performance and career development reviews. To make it convenient for employees to obtain learning resources, CapitaLand also launched its own online learning platform. With the launch of CapitaLand i-learning portal, CLCT's employees can access different types of courses and can freely arrange their time to learn and improve their business capabilities.

Social

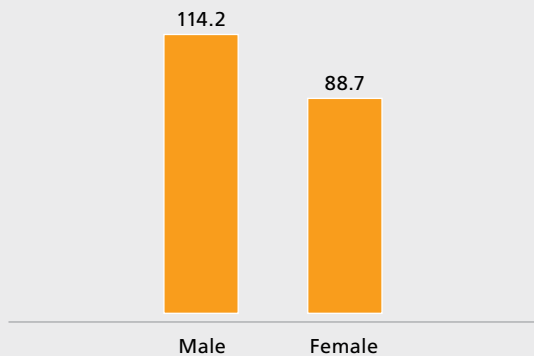
New Hires by Gender



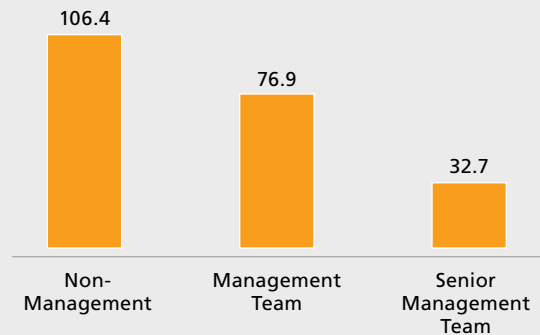
New Hires by Age Group



Average Training hours by Gender



Average Training hours by Employee Category



Various internal and external speakers have been invited to give virtual talks on topics pertaining to digital fluency, corporate culture and fund management, which are made available for all CLCT's employees.

Staff Well-being

CLCT aims to provide a safe work environment that contributes to the well-being of its staff. CapitaLand implemented a Total Well-Being Programme that included an annual health screening in Singapore and China. Within CLCT, 22.2% of the employees in Singapore and 68.8% of the employees in China participated in this health screening in FY 2021. CLCT encouraged its employees to participate in various activities, such as hiking, badminton and dragon boating to promote healthy lifestyles. Additionally, health and wellness talks were conducted regularly, covering topics such as cancer awareness, chiropractic care, good sleep management, stress relief and burnout prevention.

Social

CLCT'S PERPETUAL SOCIAL TARGETS AND FY 2021 PERFORMANCE

Indicators	Perpetual Targets	FY 2021 Performance
Stakeholder Engagement	Strengthen customer relationships and attain consistently high levels of customer satisfaction	Conducted 30 community outreach activities over the year
Green Lease	Implement green lease programme and work together with our tenants to improve their sustainability performance	In the process of setting up green lease programmes for tenants
Supply Chain Management	Build collaborative relationships and work closely with our supply chain to make a positive impact on their sustainability performance	In the process of collaborating with our supply chain to enhance sustainability performance

CLCT'S LONG-TERM SOCIAL TARGETS AND FY 2021 PERFORMANCE

2030 Targets	FY 2021 Performance
Equip employees with future-ready skills under the CapitaLand Building Capability Framework	In progress of cultivating employees under the CapitaLand Building Capability Framework
Maintain diverse mix of employees	Achieved gender balance with around 61.1% and 41.7% female employees of the Manager in Singapore and property management teams in China
Zero incident resulting in CLCT's staff fatality and permanent disability	Zero CLCT's staff work-related fatality Zero CLCT's staff work-related permanent disability
Zero incident resulting in contractor staff fatality and permanent disability	Zero contractor staff work-related fatality Zero contractor staff work-related permanent disability
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)	60 main contractors appointed in 2021 are ISO 45001 certified
Foster a positive and proactive 'safety culture' with zero fatality, permanent disability or major injury for main contractors where applicable	In the process of conducting monthly evaluations and ensuring that contractors abide by the Supply Chain Code of Conduct

Social

SOCIAL AND RELATIONSHIP CAPITAL

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. Its stakeholders comprise 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 › Return on equity, earning, 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, 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

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

Employees

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

Investors, Analysts and Media

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

Its key objectives are firstly, to ensure stakeholders are equipped with accurate and timely information to make sound judgements about the REIT; and secondly, to cultivate trust and confidence through regular and clear communication with its stakeholders. CLCT strives to disclose information that pertains not only to its financials and operations but also to its environmental, social and governance (ESG) matters, which has increasingly become a deciding factor for many investment mandates. This engagement is managed via multiple touchpoints, including one-on-one meetings, website, investor roadshows and participation in industry conferences and forums.

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 information on CLCT's investor and media relations efforts, please refer to Investor & Media Relations section, page 77 to 79 in the CLCT Annual Report 2021.

Customers (Tenants and Shoppers)

Tenant and Shopper Engagement

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 FY 2021 to foster greater interaction and build a thriving community.

ENGAGING OUR TENANTS: BASKETBALL TOURNAMENT AT ASCENDAS XINSU PORTFOLIO

The third Ascendas basketball tournament, organised by Ascendas Xinsu Portfolio, made a successful comeback in August 2021, with new segments such as obstacle dribbling. The tournament attracted 36 teams and over 300 supporters, with attractive cash prizes offered.



Participants of the third successful "腾飞" basketball tournament gathered for a photo to commemorate this event

ENGAGING OUR TENANTS: STATIONARY BIKE WORKOUTS AT ASCENDAS INNOVATION TOWERS

CLCT collaborated with Debug Fitness, one of its tenants at Ascendas Innovation Towers, to organise stationary bike workouts for tenants within the business park with the aim of promoting an active lifestyle. A total of 100 fitness enthusiast tenants participated in these sessions.



Fitness session conducted for tenants from 10 May to 19 May

ENGAGING OUR SHOPPERS: HOSTING NATURAL SCIENCE INSECT EXHIBITION AT CAPITAMALL NUOHEMULE



Shoppers peering at the insect exhibitions held at CapitaMall Nuohemule

To celebrate CapitaMall Nuohemule's first year opening anniversary, CLCT collaborated with the Inner Mongolia Museum of Natural Science to host the first commercial natural science insect exhibition. Over the course of 50 days, 700 insect specimens were showcased to raise awareness of the importance of protecting insect biodiversity.



Tenant Satisfaction Survey

CLCT strives to create meaningful relationships with its customers. To maintain the relevance of its malls, the REIT conducted a tenant satisfaction survey at 10 of its retail malls in FY 2021, with an overall participation rate of 100.0%. CLCT garnered feedback on a range of matters from cleanliness, security, mall ambience to the adequacy of car park lots. On an average, 97.1% of the respondents expressed satisfaction with CLCT's services, an improvement from 94.0% 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 its tenants and shoppers.

Supply Chain

CLCT works with contractors and suppliers that are committed to high quality EHS standards. For building operations, CLCT adopts CapitaLand's contractor management guidelines which require all contractors to comply with local government and other legal requirements. Preference is given to ISO 14001 and ISO 45001 certified companies. 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.

CLCT is guided by CapitaLand Supply Chain Code of Conduct that aims to influence its supply chain to operate responsibly in the areas of anti-corruption, human rights, health and safety, as well as environmental management. For more information, please refer to the Supply Chain Management segment in the Human Capital chapter.

Community Government Agencies and Regulators

CLCT is committed to adhere to regulatory compliance. Procedures adopted at CLI are in place to ensure that CLCT's activities and operations correspondingly comply with existing regulatory requirements. This is done through regular monitoring and evaluation and audit of the CapitaLand EHSMS. For more details, please refer to the Environmental Capital chapter.

Community/ NGOs

CLCT organises activities that are aligned with its focus on community investment, raising awareness and stakeholder engagement in the areas of philanthropy, environment, health and safety. In 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.

ENGAGING THE COMMUNITY: EARTH HOUR

CLCT participates in Earth Hour annually across all its properties by switching off façade lights and non-essential lighting from 8:30 pm (local time). CLCT encourages tenants to participate by switching off all non-essential lights for that hour.

CapitaMall Qibao collaborated with the Shanghai Science and Technology Museum to conduct an Earth Hour event focusing on environmental protection. Over 300 people attended the event, with 90 parent-child pairs participating in various hands-on activities including designing your own bag to encourage recycling. An 'unplugged' concert was also hosted, where musicians performed without using electronic amplification or devices. The event was broadcast on the Shanghai Science and Technology Museum live channel.



Promoting the importance of Earth Day through musical performances (left) and the designing of canvas bags (right)

ENGAGING THE COMMUNITY: SETTING UP FLEA MARKETS AT CAPITAMALL GRAND CANYON AND CAPITAMALL XINNAN

CLCT also partnered with social organisations and the local community to host a variety of events such as setting up a children's flea markets at CapitaMall Grand Canyon and CapitaMall Xinnan. Approximately 450 pre-loved books and toys were sold at CapitaMall Grand Canyon.



Flea Market at CapitaMall Grand Canyon



Flea Market at CapitaMall Xinnan

Governance

Material Issues



COMPLIANCE



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

- The CEO is accountable

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
- CapitaLand Supply Chain Code of Conduct and anti-corruption clause in key contracts

Governance

ORGANISATIONAL CAPITAL

The Board of Directors (Board) has adopted the Board Code of Business Conduct and Ethics that establishes the requirements for every Director in CLCT to adhere and comply with the highest standards of ethical conduct. This sets the appropriate tone from the top in respect of the desired organisational culture and ensures proper accountability within CLCT. In line with this, the Board has a standing policy requiring each Director to not allow himself/herself to get into a situation where there is a conflict between his/her duty to the CLCT and his/her own interests.

Fraud, Bribery and Corruption (FBC) Risk Management Framework

As a CLI-sponsored REIT, CLCT adopts a zero-tolerance stance against any FBC in the conduct of its business activities and expects all its employees to be committed to the highest standards of integrity in their work and business dealings.

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

FBC Risk Management Framework		
Board Oversight and Senior Management Involvement		
FBC Risk Management Strategy		
PREVENTION	DETECTION & MONITORING	RESPONSE
<ul style="list-style-type: none"> • Process-Specific Controls • Risk Assessment • Know & Manage Third Party • Managing Conflicts of Interest • Hiring 	<ul style="list-style-type: none"> • Detection of Irregularities • Monitoring of Fraud Risk Profile • Independent Review & Audit • Report Fraud Incident 	<ul style="list-style-type: none"> • Investigation • Insurance & Recovery • Protocol to Observe when Contacted by Authorities • Disclosure to Authorities & Media • Disciplinary Actions • Review of Controls
Risk-Aware Culture		

Together with various CapitaLand's policies and procedures, the FBC Risk Management Policy is published on the 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 its staff.
- documenting policies and work procedures which incorporate internal controls to ensure that adequate checks and balances are in place. Periodic audits are also conducted to evaluate the efficacy of these internal controls.
- building and maintaining the right organisational culture through its core values, educating its staff on business conduct and ethical values.

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 its philanthropic arm, CapitaLand Hope Foundation.
- Acting professionally and with integrity;
- Practising fair competition;
- Honouring contractual commitments made;
- Not making inaccurate or misleading statements;
- Making decisions or representations only when duly authorised;
- Ensuring appropriateness of frequency and venue when conducting business activities;
- Maintaining security and confidentiality of data and information; and
- Not manipulating business relationships for personal gains or interests.

Governance

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

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 the CapitaLand's staff and external parties who have dealings with the Group, with a well-defined, accessible and trusted channel to report suspected FBC, dishonest practices or other improprieties in the workplace. Procedures are put in place to provide such employees and parties with well defined, accessible and trusted channels to report suspected fraud, corruption, dishonest practices or other improprieties in the workplace, and for the independent investigation of any reported incidents and appropriate follow up action. 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 this policy is to encourage the reporting of such matters so that employees or external parties making any reports in good faith will be able to do so with the confidence that they will be treated fairly and, to the extent possible, be protected from reprisal.

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 2021, there were no substantiated cases of FBC, and cases involving anti-competition or money laundering behaviour within CLCT. More details on CLCT's practices can be found on page 36 to 69 of the Corporate Governance Report in CLCT's Annual Report 2021.

Training

Training and development are crucial to ensure all employees understand the CapitaLand's core values and principles that share the way the Group works and functions. There are dedicated training courses in Singapore and China such as "CapitaDNA: Strengthening Core Values", where specific examples and applications of the Company's core values in the workplace are shared.

CLCT PERPETUAL GOVERNANCE TARGETS AND FY 2021 PERFORMANCE

Perpetual Targets	FY 2021 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 fulfill the mandatory training obligations	All licensed representatives for the Manager fulfilled the mandatory training obligations

Enterprise Risk Management (ERM)

Risk management is an integral part of CLCT's business – both operationally and strategically. Adopting CapitaLand's Enterprise Risk Management (ERM) Framework enables CLCT to identify, manage, monitor and report material risks in an integrated, systematic and consistent manner. The Board is responsible for the governance of risks across CLCT, assisted by the Audit Committee, who provides dedicated oversight of risk management

at the Board's level. The Board approves CLCT's risk appetite, which determines the nature and extent of material risks that the Manager is willing to take to achieve CLCT's strategic and business objectives.

For more information regarding Risk Management, please refer to the CLCT Annual Report 2021 page 70 to 76.

FINANCIAL CAPITAL

In 2021, CLCT delivered a Net Property Income (NPI) of S\$250.4 million for FY 2021, up 85.2% year-on-year and its highest annual NPI since listing. This was mainly due to new contributions from its recently acquired logistics portfolio¹ and business park portfolio², 100% contribution from Rock Square³, first full-year contribution from CapitaMall Nuohemule⁴ and lower rental relief provided, partially offset by the effects of divestment in 2021. Distributable

income for the same period increased by 70.0% year-on-year to S\$135.5 million. On an enlarged unit base, FY 2021 distribution per unit (DPU) rose 37.5% year-on-year to 8.73 cents.

For more information on CLCT's financial performance, please refer to page 91 to 95 of CLCT Annual Report 2021.

NET PROPERTY INCOME

S\$250.4
MILLION

DISTRIBUTION PER UNIT

8.73
CENTS

Snapshot of 2021

FINANCIALS

AGGREGATE LEVERAGE⁵

37.7%

AGGREGATE COST OF BORROWINGS⁶

2.62%

1. The financial results in 2H 2021 and FY 2021 include contributions from Kunshan Bacheng Logistics Park, Wuhan Yangluo Logistics Park, Chengdu Shuangliu Logistics Park and Shanghai Fengxian Logistics Park from 10 November 2021.
2. The financial results in 2H 2021 and FY 2021 include contributions from Ascendas Xinsu Portfolio, Ascendas Innovation Towers and Ascendas Innovation Hub from 30 December 2020, 4 January 2021, 10 February 2021, and 26 February 2021 respectively. While the acquisitions of the Singapore-Hangzhou Science & Technology Park Phase I and Phase II were completed on 18 June 2021, the risk and reward have been transferred from 15 February 2021.
3. CLCT completed the acquisition of the remaining 49% interest in Rock Square on 30 December 2020.
4. CapitaMall Nuohemule opened with 100% occupancy in December 2020.
5. In accordance with the Property Funds Appendix, the aggregate leverage is calculated based on the proportionate share of total borrowings over deposited properties.
6. Ratio of the consolidated FY 2021 interest expense reflected over weighted average borrowings on balance sheet.

Appendix

TCFD RECOMMENDATIONS

CLCT's climate-related disclosures in line with the Taskforce for Climate-related Financial Disclosure (TCFD)

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.

CLI and its REITs, including CLCT, will be enhancing their TCFD reporting and will continue enhancing their implementation of TCFD recommendations.

Governance

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 the CLI Enterprise Risk Management (ERM) Framework.

The Board is actively involved in discussions on environment-related initiatives, which include climate-related initiatives. Taking the lead from CLI, the Board is updated on relevant performance metrics, e.g. carbon emissions performance and progress on the reduction targets and green certification. They are also kept aware of any environmental incidents, which may include climate-related damages or disruptions.

At the REIT level, CLCT works closely with CapitalLand China's EHS Committee. This EHS committee drives initiatives related to climate-related risks and opportunities, as well as the broader environmental issues. CLCT is looking to set up a specialised sustainability committee, led/chaired by its CEO. In alignment with CLI, the CLCT CEO is responsible for CLCT's climate change-related targets. A key objective of CLCT's senior management is to transit to a low-carbon business that is aligned with climate science and build a resilient and resource efficient portfolio. 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 regularly reviewed to incorporate emerging issues relating to environmental risk management

In line with the Group governance, in 2021, CLI Group-wide sustainability management comes under the purview of CapitalLand Sustainability Council (SC) which comprises two Independent Board members and four executive committee members that report to the CLI Board. CapitalLand's Management Council consisting of the Group Chief Executive Officer (CEO), all Presidents and/or CEOs of business units and key management officers of the Corporate Office provide strategic management of ESG implementation across the Group. It is supported by the Group Sustainability Office and various work teams to drive continued progress and improvement in the areas of ESG. It was chaired by one of CapitalLand Investment Board's independent directors and member of its Executive Resource and Compensation Committee and Risk Committee. The work teams comprise representatives from CLI business units and corporate functions. This governance is cascaded from the Group level to CLCT level through the operations of CLCT's EHS Committee.



Ascendas Innovation Hub



Ascendas Innovation Towers

Appendix

Strategy

As a CLI-sponsored REIT, CLI's identified ESG issues have been deemed to be material and applicable to CLCT's business and operations. The selection of these issues will be guided by CLI's regular review, assessment and feedback process in relation to ESG topics moving forward.

Climate change and emissions reduction is one of the key ESG material issues identified as relevant and critical for CLI and CLCT. Climate change risk has been identified as a key risk as part of its ERM Framework and includes both physical and transitional risks. Physical risks include consideration of rising sea levels, violent storms, long intense heat waves, flash floods and freshwater depletion. Transitional risks include potentially more stringent regulations and increased expectations from customers and stakeholders.

In line with the Group, 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 transitional and physical risk and opportunity 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 Group's Sustainable Building Guidelines (SBG), it aims 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 Group's Environment, Health and Safety Management System (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 engagement. Operational issues pertaining to climate change, energy and water are also identified and managed through the EHSMS to strengthen the climate resilience of its portfolio.
- The Group's 2030 Sustainability Master Plan 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 Sustainability Master Plan formulation, the REIT generally considers medium term time frames to be until 2030, and long term beyond 2030 in relation to the identification of climate-related risks and opportunities

CLI piloted various physical risk platforms with sample global assets (including some CLCT assets), to prepare for its group-wide scenario analysis study. CLI and its REITs aim to conduct its climate scenario analysis in 2022 for its global portfolio, including CLCT's assets. This analysis would consider scenarios based on the latest global and scientific developments, and likely cover a spectrum of scenarios from 1.5°C to 4°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. It will then review its mitigation and adaptation plans, identify opportunities, in alignment with CapitaLand's 2030 Sustainability Master Plan, which is designed to build resilience throughout its operations and future-proof the Group's real estate portfolio to guard against climate change risks and to avoid premature obsolescence and adopt available opportunities.

Appendix

Risk Management

CLCT conducts an annual Trust-wide Risk and Control Self-Assessment (RCSA) exercise that requires 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 Enterprise Risk Management (ERM) framework, and its externally certified ISO 14001 Environmental Management System (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 on page 70.

Upon completion of the scenario assessment study, targeted in 2022, the CLI Group and the REIT will review and update, if appropriate, the processes associated with risk management in order to account for environmental and climate-related risks.

Climate-related risks and opportunities are identified and mitigated through CLI's ERM Framework. The REIT 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 CLI'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 Monetary Authority of Singapore (MAS) in 2020 requiring financial institutions and asset managers to place greater emphasis on both physical and transitional environmental risks and the Singapore Stock Exchange mandate from December 2021 that all issuers must provide climate reporting that is aligned to the recommendations of the Task Force on Climate-related Financial Disclosures on a 'comply or explain' basis in their sustainability reports from the financial year (FY) commencing 2022. Climate reporting will be mandatory for the materials and buildings industry from FY 2024.
- Market risks, including shifts in carbon and electricity prices, or customer expectations, prompted by the conclusions of COP26 in November 2021, where it was recognised 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 China's aim to achieve carbon neutrality before 2060 while increasing the share of non-fossil fuels in primary energy consumption to approximately 25%, 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 climate-related physical risks occurring as extreme weather events, for example cases of floods, and changing climate patterns are regularly monitored across the portfolio. 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 the properties were located in low lying plains, encountered flooding in previous years, had equipment located in the basement, etc. 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 IA for all new investments, it identifies and prioritise certain physical risks, 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 are identified. To further strengthen climate resilience to flood risk, CLI will regularly engage its business units to ensure flood emergency response plans are implemented across its portfolio.

Appendix

Metrics and 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 its 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 2020, the Group had their carbon emissions reduction targets approved by the Science Based Targets initiative (SBTi) for a Well-below 2°C scenario. This target is in line with the goals of the Paris Agreement to keep global temperature rise well below 2°C in this century. In 2022, the Group would be evaluating the targets and the progress towards them and explore options for any long-term targets of decarbonisation. Please refer to the CLI Investment Global Sustainability Report 2021 which will be published by May 2022.

At the REIT level, in FY 2021, Direct Scope 1 carbon emissions amounted to 1,997 tonnes CO₂e. Indirect Scope 2 carbon emissions amounted to 38,700 tonnes CO₂e for FY 2021. Overall carbon intensity (tCO₂e/m²) for Direct Scope 1 and Indirect Scope 2 carbon emissions was reduced by 61.4% 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.

Aligned with the Group, 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 2021 which had included both quantitative and qualitative targets relating to climate change.

CLI also implemented a shadow internal carbon price in 2021 to quantify climate-related risk and opportunities for its new investments. It is also developing a new metric, Return on Sustainability, in addition to the regular financial return to measure the Group's ESG impact. CLI will continue to explore new metrics to measure climate-related risks and opportunities.

GRI Context Index

GRI CONTEXT INDEX

GRI STANDARDS	DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE REFERENCE AND REMARKS
General Disclosures			
GRI 101: Foundation 2016			
Organisational Profile			
GRI 102: General Disclosures 2016	102-1	Name of organisation	Corporate Profile (page 2)
	102-2	Activities, brands, products, and services	
	102-3	Location of headquarters	
	102-4	Location of operations	
	102-5	Ownership and legal form	
	102-6	Markets served	
	102-7	Scale of the organization	
	102-8	Information on employees and other workers	Human Capital (page 26-31)
	102-9	Supply chain	Human Capital- Supply Chain Management (page 27)
	102-10	Significant change to the organization and its supply chain	Please refer to the Chairman's Message in the Annual Report FY 2021 (page 12)
	102-11	Precautionary Principle or approach	Please refer to Message to Unitholders in CLCT's Annual Report 2021 (page 12)
	102-12	External initiatives	CLCT does not subscribe to external initiatives
	102-13	Membership of associations	CLCT does not subscribe to memberships of associations
	102-14	Statement from senior decision-maker	Board Message (page 7)
	102-15	Key impacts, risks, and opportunities	Environmental and Manufactured Capital (page 19) Human Capital (page 26) Social and Relationship Capital (page 33) Organisational Capital (page 38) Financial Capital (page 40)
	102-16	Values, principles standards and norms of behaviour	Sustainability Commitment (page 8)
	102-18	Governance structure	Corporate Governance report in Annual Report FY2021 (page 36) Board, Top Management and Staff Commitment and Involvement (page 10-11)
	102-40	List of stakeholder groups	Stakeholders Engagement (page 33)
	102-41	Collective bargaining agreements	Human Capital (page 28-31)
	102-42	Identifying and selecting stakeholders	Stakeholders Engagement (page 33)

GRI Context Index

GRI STANDARDS	DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE REFERENCE AND REMARKS
GRI 102: General Disclosures 2016	102-43	Approach to stakeholder engagement	Stakeholders Engagement (page 33)
	102-44	Key topics and concerns raised	Stakeholders Engagement (page 33)
	102-45	Entities included in the consolidated financial statements	About This Report (page 3)
	102-46	Defining report content and topic boundaries	About This Report (page 3)
	102-47	List of material topics	Materiality (page 12)
	102-48	Restatement of information	Not Applicable
	102-49	Changes in reporting	There are no significant changes from previous report
	102-50	Reporting period	About This Report (page 3)
	102-51	Date of most recent report	FY 2021
	102-52	Reporting cycle	Annual
	102-54	Contact point for questions regarding the report	About This Report (page 3)
	102-55	GRI Content Index	GRI Content Index (page 45-49)
	102-56	External assurance	No external assurance. The Manager relies on the external assurance of CapitaLand's Sustainability Report. CLCT's portfolio and employees are part of CapitaLand's reporting.
Management Approach			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Materiality (page 12)
	103-2	The management approach and its components	Environmental and Manufactured Capital (page 19-23) Human Capital (page 26-31) Social and Relationship Capital (page 33-35) Organisational Capital (page 38-39) Financial Capital (page 40)
	103-3	Evaluation of the management approach	Environmental and Manufactured Capital (page 19-23) Human Capital (page 26-31) Social and Relationship Capital (page 33-35) Organisational Capital (page 38-39) Financial Capital (page 40)

GRI Context Index

GRI STANDARDS	DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE REFERENCE AND REMARKS
Topic-Specific Standards			
Economic Benefits to Stakeholders			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Please refer to Financial Statements in CLCT's Annual Report 2021 (Page 127)
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Social and Relationship Capital (page 34-35)
Business Ethics			
GRI 105: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	Organisational Capital (page 38-39)
	205-2	Communication and training on anti-corruption policies and procedures	Organisational Capital (page 38-39)
	205-3	Confirmed incidents of corruption and actions taken	Organisational Capital (page 39)
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints regarding breaches of customer privacy and losses of customer data	There were no substantiated complaints concerning breaches of customer privacy and losses of customer data.
Energy Efficiency			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Environmental and Manufactured Capital (page 20-21)
	302-3	Energy intensity	Environmental and Manufactured Capital (page 20-21)
Water Management			
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Environmental and Manufactured Capital (page 22)
	303-2	Management of water discharged-related impacts	Environmental and Manufactured Capital (page 22)
	303-3	Water withdrawal	Environmental and Manufactured Capital (page 22)
Biodiversity			
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 (page 22-23)
	304-2	Significant impacts of activities, products, and services on biodiversity	Environmental and Manufactured Capital (page 22-23)

GRI Context Index

GRI STANDARDS	DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE REFERENCE AND REMARKS
Climate Change and Emissions			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) greenhouse gas (GHG) emissions	Environmental and Manufactured Capital (page 20-21)
	305-2	Energy direct (Scope 2) GHG emissions	Environmental and Manufactured Capital (page 20-21)
	305-4	GHG emissions intensity	Environmental and Manufactured Capital (page 20-21)
Construction and Operational Waste			
GRI 306: Waste 2020	306-2	Management of significant waste-related impact	Environmental and Manufactured Capital (page 22)
Compliance			
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	Organisational Capital (page 39)
Supply Chain Management			
GRI 308: Supplier Environmental Assessment 2016	308-1	New supplier screened using environmental criteria	Human Capital (page 27)
GRI 414: Supplier Social Assessment 2016	414-1	New supplier that were screened using social criteria	Human Capital (page 27)
Employment			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Human Capital (page 29-31)
	401-3	Paternal leave	Human Capital (page 29-31)
GRI 402: Labour Management/ Relations 2016	402-1	Minimum notice periods regarding operational charges	Human Capital (page 28-29)
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Human Capital (page 30-31)
	404-2	Programs for upgrading skills and transition assistance programs	Human Capital (page 30-31)
	404-3	Percentage of employees receiving regular performance and career development reviews	Human Capital (page 30)

GRI Context Index

GRI STANDARDS	DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE REFERENCE AND REMARKS
Occupational Health & Safety			
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Human Capital (page 26)
	403-2	Hazard identification, risks assessment, and incident investigation	Human Capital (page 26)
	403-3	Occupational health services	Human Capital (page 26)
	403-4	Worker participations, consultation, and communication on occupational health and safety	Human Capital (page 26)
	403-5	Worker training on occupational health and safety	Human Capital (page 26)
	403-6	Promotion of worker health	Human Capital (page 26)
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Human Capital (page 26)
	403-9	Work-related injuries	Human Capital (page 26)
Diversity and Human Rights			
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective action taken	Human Capital (page 27)
GRI 412: Human Rights Assessment 2016	412-1	Operations subjected to human rights review	Human Capital (page 27)
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	Social and Relationship Capital (page 33-36)
GRI 414: Supplier Social Assessment 2016	414-1	New supplier that were screened using social criteria	Human Capital (page 27)
Products and Services			
GRI 416: Customer Health and Safety 2016	416-1	Health and safety impacts assessment of products and services	Human Capital (page 26-29)
	416-2	Incidents of non-compliance	Organisational Capital (page 39)



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