



INTEGRATED SUSTAINABILITY REPORT 2023



**BUILDING
RESILIENCE,
EMBRACING
OPPORTUNITIES**



WHERE IDEAS TAKE SHAPE

At CapitaLand China Trust, we remain focused on creating sustainable value for our stakeholders. We bring diverse ideas and leverage our real estate investment management expertise across our diversified portfolio - retail, business parks and logistics parks - supported by our strong team on the ground.

The convergence and interconnection of distinct shapes on the cover page captures this essence. It also showcases our dynamic ONE CapitaLand Ecosystem, as we forge ahead together with a shared purpose of making a positive impact.

CONTENTS

Overview

2	About Us	9	Board Statement
4	About This Report	10	Sustainability Approach
6	Sustainability Highlights	18	Strategy and Key Objectives
8	CEO Message	21	Stakeholder Engagement

Environmental

22	Environmental and Manufactured Capital
-----------	--

Social

36	Human Capital
48	Social and Relationship Capital

Governance

54	Organisational Capital
63	Financial Capital

Appendix

65	TCFD Recommendations
76	Key ESG Data Summary
79	GRI Content Index
85	SASB Disclosure Index

Note: In this ISR, minor variances may occur between the figures and totals presented in the tables and charts due to rounding.



25,222

PORTFOLIO VALUE¹
(RMB MILLION)

**12 TIER 1 AND
LEADING CITIES**

GEOGRAPHIC PRESENCE

~1.9

GROSS FLOOR AREA
(MILLION SQ M)

CapitaMall Xizhimen ▲



**10
RETAIL
MALLS²**



**5
BUSINESS
PARKS**



**4
LOGISTICS
PARKS**

- 1 Based on valuation on a 100% basis as at 31 December 2023. The valuation based on effective interest is RMB23,631 million as at 31 December 2023.
- 2 Includes CapitaMall Shuangjing, which was divested in January 2024 but excludes CapitaMall Qibao, as the mall has ceased operations since the end of March 2023.

ABOUT US

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

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

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

For more information, please visit our corporate website at www.clct.com.sg.

OUR GROWTH STRATEGY

Our growth strategy is focused on three key pillars: Creating, Unlocking, and Extracting value. We meticulously cultivate our portfolio with a disciplined reconstitution strategy, ensuring a robust and forward-looking asset mix. Proactive asset management elevates the intrinsic value of our portfolio, drawing prominent tenants to our quality spaces. This strategic positioning enables us to deliver sustainable returns to our Unitholders. Our strategy is reinforced by a prudent capital and risk management framework, underpinned by a commitment to sustainability.

Strategic advantages and growth potential are further realised by leveraging on CapitaLand Group's extensive pipeline of high-quality assets as well as operational excellence through the wide-ranging real estate platform, strong local network, and professional property management capabilities. Together, these elements pave the way for our sustainable growth and market leadership.

ABOUT THIS REPORT

CLCT is Singapore's largest China-focused REIT. This is CLCT's third Integrated Sustainability Report (ISR), and it aims to provide a comprehensive overview of the organisation's Environmental, Social and Governance (ESG) performance. Published in mid-April 2024, this Report is available on <https://investor.clct.com.sg/isr.html>.

INTERNATIONAL STANDARDS AND GUIDELINES

This ISR has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021, an internationally recognised sustainability reporting standard that covers a wide range of disclosures. The report is also in compliance with the sustainability reporting requirements set out in the Listing Manual Rule 711A and 711B of the Singapore Exchange Securities Trading Limited (SGX-ST).

Our business model is built upon the fundamental concepts as guided by the Integrated Reporting Framework by the Value Reporting Foundation, and it incorporates elements of the framework to communicate value creation. It is also aligned with the Sustainable Development Goals of United Nations (UN SDGs). Additionally, this Report references the Sustainability Accounting Standards Board (SASB) Standards sustainability disclosure topics and metrics

for real estate sector-specific standards, and outlines CLCT's risk management framework with reference to the Guidelines on Environmental Risk Management for Asset Managers issued by the Monetary Authority Singapore (MAS). Together with our Sponsor, CLI, CLCT will continue to adopt a progressive approach in refining its climate-related disclosures based on the 11 recommendations from the Task Force on Climate-related Financial Disclosures (TCFD).

REPORTING SCOPE AND PERIOD

As at 31 December 2023, the portfolio comprised 10³ retail properties, five business parks and four logistics parks, primarily located in Tier 1 and leading cities in China. This Report discloses information on the 18^{3,4,5} properties within CLCT's portfolio, unless otherwise stated, for the financial period from 1 January 2023 to 31 December 2023 (FY 2023).

CLCT adopts the Greenhouse Gas (GHG) Protocol Corporate Standard in disclosing performance data for Energy, GHG, Water and Waste across our 18 properties. As such, CLCT only reports the assets that are under the Manager's operational control. There is no restatement of information this year.

³ CapitaMall Qibao ceased operations in March 2023 and is therefore not included in the Report.

⁴ CapitaMall Shuangjing is not included in the environmental, social and governance operational data reporting as the Manager does not have operational control over the asset. The mall was divested in January 2024.

⁵ As CLCT's logistics park assets are not operated by CLI, the energy and water data of these assets are not included in the portfolio's environmental performance. The emissions data of these assets are included under Scope 3.

Retail
CapitaMall Xizhimen
Rock Square
CapitaMall Wangjing
CapitaMall Grand Canyon
CapitaMall Xuefu
CapitaMall Xinnan
CapitaMall Nuohemule
CapitaMall Yuhuating
CapitaMall Aidemengdun
CapitaMall Shuangjing ⁴

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

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

The operations of CLCT's properties are managed by the REIT Manager and property management teams. The respective teams are identified as employees of CLCT. However, non-executive members of the CLCTML Board are not considered employees of the REIT.

On an annual basis, to ensure transparency and accuracy, CLI had engaged an independent external consultant to carry out assurance over the CLI Group's performance data for FY 2023. CLCT's performance data is also scoped in as part of the CLI Group's annual external assurance engagement. CLI's report will continue to be externally assured with reference to the ISAE 3000 International Standard on Assurance Engagements. It covers the Group's global portfolio and employees, including CLCT and CLI's other listed real estate investment trusts and business trusts. CLI's Global Sustainability Report (GSR) 2023 will be published by 31 May 2024 on the CLI website. This ISR has also undergone a comprehensive internal review.

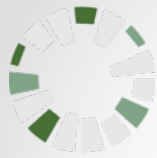
Published annually, this ISR is recommended to be read alongside CLCT's Annual Report 2023 for a comprehensive understanding of its business and performance. Reflecting our ongoing commitment to environmental sustainability, no physical copies of this ISR have been printed.

For any further inquiries, please contact:

Ms Nicole Chen
 Head, Investor Relations
 Tel: 6713 2888
 Email: ask-us@clct.com.sg
 Website: www.clct.com.sg

SUSTAINABILITY HIGHLIGHTS

RECOGNITION AND ACCOLADES



GRESB
★★★★★ 2023

5 STAR

rating awarded for GRESB Assessment 2023, an improvement from 2 Star rating in 2022

A

maintained for GRESB Public Disclosure 2023

NEGLIGIBLE RISK

rated 8.9 in Sustainalytics ESG Risk Rating, upgraded from Low Risk

BBB

awarded for MSCI ESG Ratings, upgraded from B

B

CDP Climate Change 2023

GREEN CERTIFICATION



FOUR NEW LEED GOLD CERTIFIED PROPERTIES IN 2023

- ✓ CapitaMall Xizhimen
- ✓ Ascendas Innovation Towers
- ✓ Ascendas Innovation Hub
- ✓ Singapore-Hangzhou Science & Technology Park Phase I⁶



36% OF PORTFOLIO GREEN CERTIFIED

Met annual green building certification target by obtaining green certification for approximately 36%⁷ of portfolio GFA by end 2023.

ECONOMIC



SUSTAINABILITY-LINKED FINANCING FRAMEWORK

Established a Sustainability-Linked Finance Framework that comprises key performance indicators (KPIs) linked to green building certifications, renewable energy and energy consumption intensity targets.



31% OF TOTAL DEBT ARE SUSTAINABILITY-LINKED LOANS

Secured additional sustainability-linked loan of S\$100 million in FY 2023. As at 31 December 2023, sustainability-linked loans account for 31% of total debt (FY 2022: 13%).

6 Attained LEED Gold status for Block 1 to 3 of Singapore-Hangzhou Science & Technology Park Phase I - the remaining blocks are LEED Gold certified since 2014.

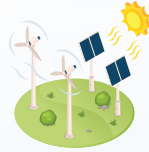
7 By portfolio gross floor area excluding carpark space. Cover CLCT properties managed by CLI.

ENVIRONMENT



GREEN LEASING

Implemented green leasing for all CLCT properties⁸ managed by CLI.



RENEWABLE ENERGY

Procured offsite renewable energy for the first time with Ascendas Innovation Towers and Ascendas Innovation Hub (3.0% of portfolio's electricity consumption).

Completed the installation of 253 solar panels on the roof of Kunshan Bacheng Logistics Park to generate renewable energy starting in 2024.

SOCIAL



ESG TRAINING

✓ 100% of CLCT employees in Singapore and 98% of CLCT employees in China participated in ESG-related training.

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



HEALTH & SAFETY

✓ 100% of the main contractors appointed this year are ISO 45001 certified.

✓ Reported zero incidents resulting in fatality and permanent disability for CLCT employees and contractors.

GOVERNANCE



40%⁹ FEMALE BOARD REPRESENTATION

Increased from 25% in 2022.



ZERO LAPSES REPORTED

For corporate governance, corruption or employee misconduct.

⁸ Refers to green leases implemented for new and renewed leases. Cover CLCT properties managed by CLI.

⁹ Following the retirement of Ms Kuan Li Li with effect from 1 January 2024, 3 out of 9 Directors (33% of the Board) are female.

CEO MESSAGE

Dear Stakeholders,

In 2023, our commitment to sustainability continues to drive our actions as we strive to create long-term economic value for our stakeholders. Building upon the progress made last year, we are pleased to share the latest updates on our sustainability journey and achievements in alignment with CapitaLand Investment's 2030 Sustainability Master Plan (SMP).

SUSTAINABILITY RECOGNITION AND ACCOLADES

We are delighted that our dedication to sustainable practices has been recognised with a 5-star rating in the 2023 GRESB Real Estate Assessment. This significant improvement from our previous 2-star rating reflects our unwavering efforts and commitment to sustainability. Additionally, we also maintained an "A" rating for 2023 GRESB Public Disclosure.

As we advance on our progress in the environmental, social, and governance aspects, we have raised our MSCI ESG Ratings from 'B' to 'BBB', reflecting our responsible and sustainable business practices. Similarly, our Sustainalytics ESG Risk Rating has been upgraded from 'Low Risk' to 'Negligible Risk', highlighting our robust policies and practices.

PROGRESS IN ENERGY EFFICIENCY

Our focus on energy efficiency has yielded positive results, with four of our assets – CapitaMall Xizhimen, Ascendas Innovation Towers, Ascendas Innovation Hub, and Singapore-Hangzhou Science & Technology Park Phase I¹⁰ attaining LEED Gold certification in 2023. Including CapitaMall Wangjing and Rock Square which attained LEED Gold certification in 2022, 36%¹¹ of our portfolio's GFA is currently green certified. We have made substantial progress in implementing green leasing across all¹² our CLI-managed properties, further solidifying our commitment to sustainable practices.

To reduce environmental impact, we have successfully purchased offsite renewable energy for the first time at Ascendas Innovation Towers and Ascendas Innovation Hub this year, accounting for 3.0% of our portfolio's electricity consumption in FY 2023. In addition, we have completed the installation of 253 solar panels on the roof of Kunshan Bacheng Logistics Park, with the anticipation of generating onsite renewable energy in 2024.

SUSTAINABLE FINANCING JOURNEY

Our sustainable financing initiatives have garnered noteworthy success. We are pleased to share that we have secured additional sustainability-linked loan of S\$100 million in FY 2023. As at 31 December 2023, sustainability-linked loans account for 31% of total debt (FY 2022: 13%). This improvement reflects our commitment towards responsible growth and our resolute focus on embracing sustainable financing instruments to enhance our financial flexibility.

In addition, CLCT established a Sustainability-Linked Finance Framework in October 2023. This framework includes key performance indicators (KPIs) tied to green building certifications, renewable energy, and energy consumption intensity targets.

EMBRACING DIVERSITY AND INCLUSION

We are equally committed to diversity, equity, and inclusion. Our efforts have led to an increase in female representation on our Board to 40.0%¹³ in 2023, up from 25.0% last year. We continued to maintain gender diversity within our REIT Manager and property management teams in Singapore and China. We are committed to cultivate a positive working environment for employees across diverse backgrounds to promote employee engagement, motivation and retention.

SUSTAINABILITY STEWARDSHIP

Sustainability remains at the heart of our strategies here at CLCT. Our ESG targets are integrated into our investment and business decisions as we continue to enhance our sustainability performance and broaden our sustainable financing endeavours. As we build resilience and seize opportunities, we remain steadfast in our commitment to contribute to the environmental and social well-being of the communities we operate in.

We extend our gratitude for your continuous support and unwavering partnership as we continue this sustainability journey together.

TAN TZE WOOL
Chief Executive Officer

10 Attained LEED Gold status for Block 1 to 3 of Singapore-Hangzhou Science & Technology Park Phase I – the remaining blocks are LEED Gold certified since 2014.

11 By portfolio gross floor area excluding carpark space. Cover CLCT properties managed by CLI (by sq m).

12 Refers to green leases implemented for new and renewed leases. Cover CLCT properties managed by CLI.

13 Excluding Ms Kuan Li Li, who has stepped down as the Non-Executive Independent Director on 1 January 2024, the Board gender diversity would be 33%.

BOARD STATEMENT

At CLCT, 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 Investment 2030 Sustainability Master Plan (SMP), which was refreshed in 2023 as part of the review by the CapitaLand Investment Board of Directors together with Management.

The CapitaLand Investment 2030 Sustainability Master Plan steers our efforts on a common course to maximise impact through building portfolio resilience and resource efficiency, enabling thriving and future-adaptive communities, and stewarding responsible business conduct and governance. Ambitious ESG

targets have been set which include carbon emissions reduction targets validated by the Science Based Targets initiative (SBTi). In 2023, CapitaLand Investment revised its SMP targets to elevate its SBTi-approved targets in line with a 1.5°C scenario, incorporate its Net Zero commitment, and enhance its focus on social indicators.

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



SUSTAINABILITY APPROACH

SUSTAINABILITY COMMITMENT

CAPITALAND INVESTMENT (CLI) 2030 SUSTAINABILITY MASTER PLAN (SMP)



Build

Portfolio Resilience & Resource Efficiency

Low Carbon Transition

- Achieve Net Zero emissions by 2050 for scope 1 and 2 greenhouse gas (GHG) emissions
- Reduce:

Absolute scope 1 & 2
GHG emissions by

46%¹⁴

Carbon emissions
intensity by

72%¹⁴

Energy consumption
intensity by

15%¹⁴

- Achieve 45% of total electricity consumption from renewable sources
- Work towards setting new scope 3 carbon emissions reduction target

Water Conservation & Resilience

Reduce water consumption intensity
in our day-to-day operations by

15%¹⁴



Waste Management & Circular Economy

Reduce waste
intensity in our day-
to-day operations by

20%¹⁴

Achieve

25%
recycling rate in our
day-to-day operations



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

¹⁴ Using 2019 as the base year.



Enable

Thriving & Future-Adaptive Communities

Social Impact

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

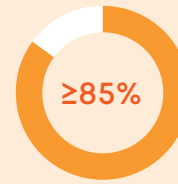
Human Capital Development



Female representation in senior management



Staff engagement score¹⁵



Staff to attend at least 1 ESG training

Health & Wellness

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



Customer & Supplier Partnerships

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



Steward

Responsible Business Conduct & Governance

Corporate Governance

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

Transparent Reporting Governance

- ESG reporting aligned & externally assured to international standards



ESG Risk Management

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



¹⁵ Employee engagement score of at least 80% (with at least 85% participation).

SUSTAINABILITY MANAGEMENT

RESPONSIBLE BUSINESS CONDUCT

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

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

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

MAINTAINING DIVERSITY ON THE BOARD

The Board embraces diversity and has in place a Board Diversity Policy which provides for the Board to comprise talented and dedicated Directors with a diverse mix of expertise, experience, perspectives, skills and backgrounds, with due consideration to diversity factors, including but not limited to, diversity in age, gender, tenure and business or professional experience.

The Board values the benefits that diversity can bring to the Board in its deliberations by avoiding groupthink and fostering constructive debate. Diversity enhances the Board's decision-making capability and ensures that the Manager has the opportunity to benefit from all available talent and perspectives, which is essential to the effective governance of CLCT's business and for ensuring long-term sustainable growth.

CLCT's Board diversity targets, plans and timelines for achieving the targets and progress towards achieving the targets are described on pages 120 to 121 of CLCT's Annual Report 2023.

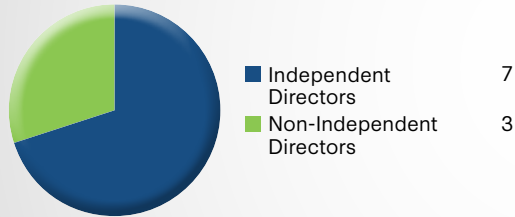
The Nominating and Remuneration Committee (NRC), in carrying out its duties of determining the optimal composition of the Board in its Board renewal process and addressing Board vacancies, considers candidates who bring a diversity of background and opinion and have the appropriate industry or related expertise and experience. In identifying possible candidates and making recommendations of board appointments to the Board, the NRC's considerations include achieving an appropriate level of diversity in the Board composition having regard to diversity factors such as skills, experience, gender, age and tenure, as well as educational, business and professional backgrounds of its members.

In its annual review of the Board's composition, the NRC expressly considers and includes a commentary to the Board on the subject of diversity, including gender diversity, in the composition of the Board. In this regard, the NRC has reviewed the size and composition of the Board and is of the opinion that the Board and Board Committees are of an appropriate size and comprise Directors who as a group provide the appropriate balance and diversity of skills, knowledge, experience, gender, age and tenure, taking into account CLCT's Board diversity targets, plans and timelines, the objectives of the Board Diversity Policy and CLCT Group's business needs and plans, for effective decision-making and constructive debate.

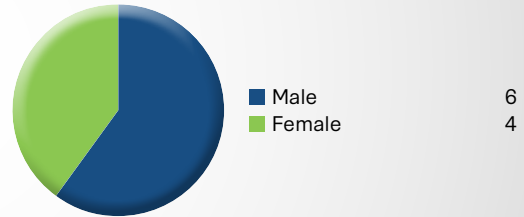
In line with the Board Diversity Policy, the current Board as at the date of this Sustainability Report comprises nine members who are corporate and business leaders, and are professionals with varied backgrounds, expertise and experience including in accounting, finance, banking, capital markets, real estate, investment management, governance and the China market. The Board members bring with them the combination of skills, talents, experience and diversity required to serve the needs and achieve the plans of the CLCT Group. For more details on our Board Diversity Policy and performance, please refer to pages 119 to 122 of CLCT's Annual Report 2023.

BOARD DIVERSITY AS AT 31 DECEMBER 2023

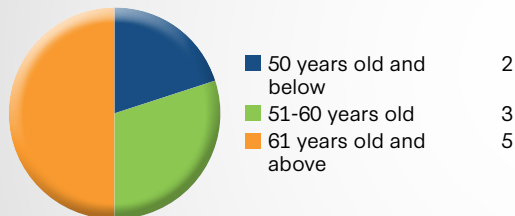
BOARD INDEPENDENCE
(As at 31 December 2023)



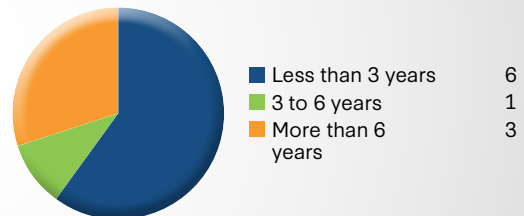
BOARD GENDER DIVERSITY
(As at 31 December 2023)



AGE SPREAD
(As at 31 December 2023)



TENURE MIX
(As at 31 December 2023)



BOARD, TOP MANAGEMENT AND EMPLOYEE COMMITMENT

Role of CLI Board, Management and Employees

The Sponsor's (CLI) Board recognises the importance of sustainability as a business imperative and ensures that sustainability considerations are factored into CLI's strategy development. This enables CLI to remain competitive and resilient in an increasingly challenging business environment.

The CLI Board is kept informed on a regular basis through the Strategy and Sustainability Committee (SSC) on the Group's sustainability management performance, key material issues identified by stakeholders, and the planned follow-up measures. Additionally, the CLI Board is typically updated by the Risk Committee and Audit Committee at least once a year and at ad hoc Board meetings. The CLI Board discusses matters relating to sustainability risks and relevant performance metrics, which include carbon emissions and our progress on achieving the reduction targets, green certification, human capital development, stakeholders' expectations on climate change, social impact and/or other matters. The CLI Board is also informed of any incidents

relating to workplace safety, business malpractice and environmental impact, which may include climate-related damage or disruptions.

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

The CLI Leadership Council makes strategic resource allocation decisions and meets on a regular basis. The CLI Leadership Council comprises the Group Chief Executive Officer (CEO), CEOs of the business units and key management officers of the corporate office.

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

SUSTAINABILITY MANAGEMENT

Role of CLCT Board, Management and Employees

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

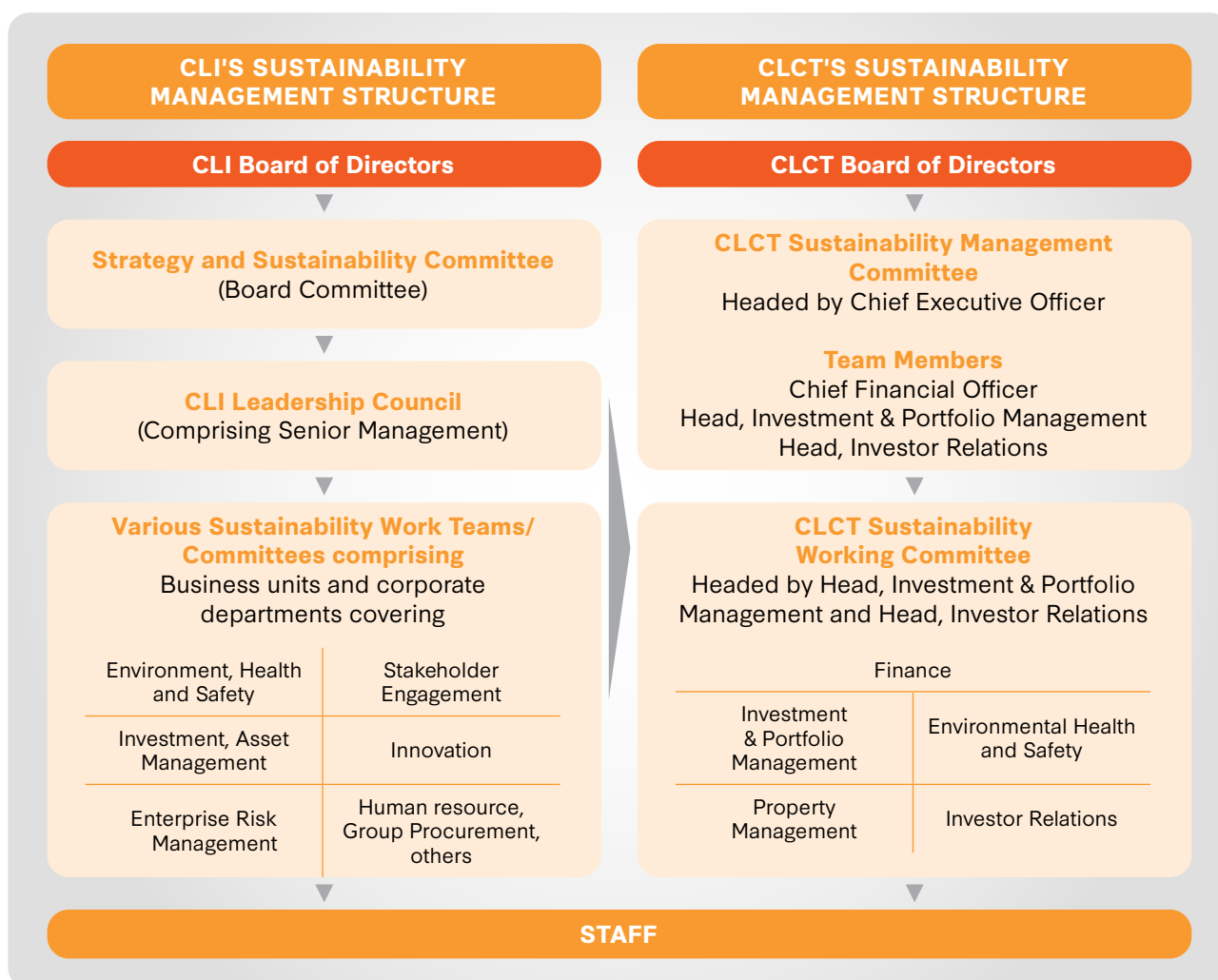
The SMC is supported by CLCT's Sustainability Working Committee (SWC), which comprises key members from

various business functions, to implement sustainability-related activities and initiatives across CLCT's operations as per CLI's sustainability framework and policies.

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

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

STRATEGIC SUSTAINABILITY MANAGEMENT STRUCTURE



ESG INTEGRATION ACROSS CLCT'S BUSINESS FUNCTIONS

CEO and Executive Director	<ul style="list-style-type: none"> Responsible for decisions relating to ESG targets.
Finance	<ul style="list-style-type: none"> Responsible for securing green financing and engaging with stakeholders such as bankers.
Investment & Portfolio Management	<ul style="list-style-type: none"> Seeks investment opportunities with climate change impact as one of the assessment criteria. Proposes solutions for procurement of renewable energy, greening of assets, and related capital expenditure. Engages various internal stakeholders on ESG matters.
Environmental, Health and Safety Team	<ul style="list-style-type: none"> Responsible for monitoring environmental performance of assets against annual and long-term targets.
Property Management	<ul style="list-style-type: none"> Collaborates closely with Investment and Portfolio Management team to evaluate solutions for green energy procurement, greening of assets, and related capital expenditure. Engages with tenants, service providers, and relevant government agencies for ESG matters.
Investor Relations	<ul style="list-style-type: none"> Engages investment community and ESG rating agencies on CLCT's sustainability targets and performance. Responsible for ESG reporting matters.

RECOGNITION BY GLOBAL BENCHMARKS

CLI has been a signatory to the United Nations (UN) Global Compact since 2015 and our Communication on Progress for FY 2023 will be published at www.unglobalcompact.org. In February 2023, CLI also became a signatory of the UN-supported Principles for Responsible Investment (UN PRI), as part of our commitment to invest responsibly.

For these efforts, CLI continues to be listed on the Dow Jones Sustainability World Index and Asia-Pacific Index, GRESB (Global Sector Leader - Listed (Diversified) with the highest 5 Star rating), FTSE4Good Index Series, MSCI Global Sustainability Indexes and The Sustainability Yearbook.

CLI's Global Sustainability Report 2023 will continue to be externally assured with reference to the International Standard on Assurance Engagements (ISAE) 3000, and will cover CLI's global portfolio and employees, including CLCT and CLI's other listed real estate investment trusts (REITs) and business trusts.

In the 2023 GRESB Real Estate Assessment, CLCT achieved the highest 5 Star rating, placing the REIT in the top 20% of the global benchmark.

MATERIALITY

CLCT is guided by CLI's materiality assessment process, which identifies and prioritises the management of material ESG issues that are most relevant and significant to CLCT and its stakeholders, taking into consideration their relevance or impact to the business, strategy, financial planning, business model and key stakeholders. A double materiality approach is adopted, considering issues which are material from either the impact or financial perspectives¹⁶, or both.

Potentially material ESG issues arising from activities across CLI and CLCT's value chain (including potential risks and opportunities in the immediate and longer term) are primarily identified via ongoing engagement with CLI's business units and external stakeholders, and reviews of sources including investor questionnaires, as well as ESG surveys, sustainability benchmarks and frameworks such as Dow Jones Sustainability Indices, GRESB and SASB.

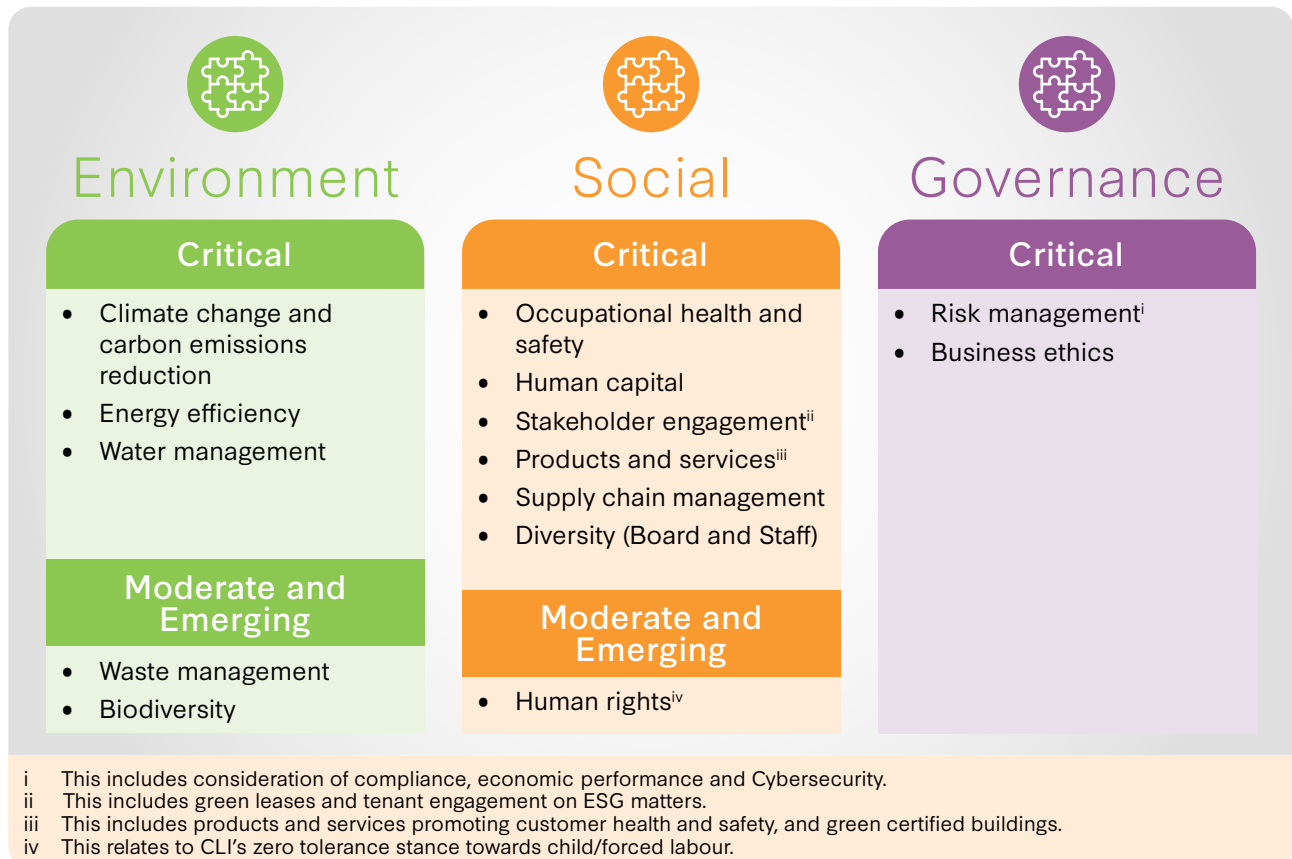
In addition, CLI and CLCT have a regular review, assessment and feedback process in relation to ESG topics. Identified material issues are reported in its corporate risk register through the annual Group-wide Risk and Control Self-Assessment (RCSA) exercise, which identifies, assesses and documents material risks and the corresponding internal controls to manage those risks. These material risks include fraud and corruption, environmental (e.g. climate change), health and safety, and human capital risks which are ESG-

¹⁶ To identify ESG issues which are potentially financially material, CLI takes reference from the SASB Standards for Real Estate and Real Estate Services, which identify sustainability factors that are material to short, medium, and long-term enterprise value for the industry.

SUSTAINABILITY MANAGEMENT

relevant. Identified material ESG issues are then prioritised based on the likelihood and potential impact of issues affecting the business continuity of CLI and CLCT. For external stakeholders, priority is given to issues important to the community and applicable to CLI and CLCT. In FY 2023, the material ESG topics that were identified were approved by the CLI SSC.

PRIORITISATION OF MATERIAL ESG ISSUES



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

CLCT's material ESG issues and the value created, aligned to CLI 2030 SMP focus areas and commitments, are mapped to the six integrated reporting Capitals of the Value Reporting Foundation's IR Framework - Environmental, Manufactured, Human, Social and Relationship, Organisational and Financial. This is further mapped against eight UN SDGs that are most aligned with CLI 2030 SMP focus areas, and where CLI and CLCT can achieve the greatest positive impact. For more details of the value creation strategy, please refer to pages 18 to 20.

INVESTMENT STRATEGY

As Singapore's largest China-focused REIT with a diversified portfolio of retail, business park and logistics park assets across 12 tier one and leading cities, CLCT is well-positioned to capture China's long

term economic growth. We are committed to delivering long-term sustainable distributions to Unitholders. Our forward-looking portfolio reconstitution strategy is closely aligned with China's long-term economic direction, which focuses on domestic consumption and innovation-driven growth.

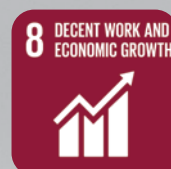
Our investment strategy is designed to Create, Unlock and Extract Value across our portfolio. Driven by disciplined portfolio reconstitution, proactive asset management, innovative asset enhancement, and underpinned by prudent capital and risk management, we continue our strong track record of enhancing sustainable 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 CLI's integrated real estate platform, strong local network, and professional property management capabilities.



STRATEGY AND KEY OBJECTIVES

VALUE CREATION STRATEGY





Create Value

Our objective is to achieve growth through strategic and well-timed acquisitions that align with our long-term goals. We focus on investing in assets with quality growth potential and synergistic value. To strengthen the resilience of our portfolio, we invest in a diversified portfolio of income-producing real estate across various asset classes.

We proactively source potential acquisitions from our sponsor's pipeline as well as third-party vendors with the aim of creating a future-ready portfolio that can deliver stable and sustainable distributions to our Unitholders.



Unlock Value

We continuously review the performance of our assets and identify the optimal stage in their lifecycle to unlock value. By divesting non-core, mature assets, we will be able to enhance returns to our Unitholders. This allows us to reallocate capital to more promising opportunities that offer higher potential for growth and value creation. We remain committed to evaluating our portfolio rigorously and taking decisive actions to unlock and deliver long-term value for our Unitholders.

VALUE UNLOCKED IN FY 2023:

- » Announced divestment of CapitaMall Shuangjing on 6 December 2023 at an agreed price of RMB842.0 million (approximately S\$157.8 million¹⁷) and an exit yield of 2.8%¹⁸



Extract Value

PROACTIVE ASSET MANAGEMENT

Our priority is to achieve organic growth through customer-centric initiatives. This includes optimising tenant mix, implementing proactive leasing strategies, deepening tenant engagement, and leveraging CapitaLand's omni-channel platforms and loyalty programs. Our goal is to enhance tenant experiences and operational efficiency while managing costs effectively.

INNOVATIVE ASSET ENHANCEMENT

At opportune moments, we will embark on asset enhancement initiatives to reposition the properties and drive competitiveness to maximise asset value and better cater to the preferences of today's customers.

VALUE EXTRACTED IN FY 2023 WITH FURTHER UPSIDE EXPECTED IN FY 2024:

- » AEI at CapitaMall Yuhuating (Completed in March 2023): +112% rental reversion
- » AEI at Rock Square (Completed in July 2023): >13% return on investment
- » AEI at CapitaMall Grand Canyon (Completed in December 2023): +50% rental income

¹⁷ Based on an assumed exchange rate of S\$1 to RMB5.3348 unless otherwise stated.

¹⁸ This is based on annualising the net property income of the Property from 1 January 2023 to 30 September 2023 and divided by the agreed price of RMB842.0 million (around S\$157.8 million).

STRATEGY AND KEY OBJECTIVES

VALUE CREATED

ENVIRONMENTAL CAPITAL

- ▶ 43.0%ⁱ reduction in carbon emissions intensity.
- ▶ 36.0%ⁱ reduction in energy consumption intensity.
- ▶ 39.5%ⁱ reduction in water consumption intensity.
- ▶ Achieved 18.6% waste recycling rate in day-to-day operations.
- ▶ Obtained 4 new LEED Gold certification for CapitaMall Xizhimen, Ascendas Innovation Towers, Ascendas Innovation Hub and Singapore-Hangzhou Science & Technology Park Phase I.
- ▶ Continued to implement the recommendations and improved on TCFD reporting - for more details, please refer to the TCFD chapter in the Appendix of this report.
- ▶ Purchased offsite renewable energy at Ascendas Innovation Towers and Ascendas Innovation Hub for the first time (3.0% of portfolio's electricity consumption).
- ▶ Completed the installation of 253 solar panels on the roof of Kunshan Bacheng Logistics Park, which will begin operations in 2024.
- ▶ Retained ISO 14001 certification.

MANUFACTURED CAPITAL

- ▶ Extracting Value - Achieve higher returns through innovative AELs in:
 - **CapitaMall Yuhuating:** AEL spanning ~8,900 sq m with enhanced range of offerings and experiences including Food & Beverages (F&B), Leisure & Entertainment and Education tenants. The improved overall NLA mix is better equipped to cater to today's catchment needs, which resulted in achieving a rental reversion of approximately +112%.
 - **Rock Square:** Recovered 2,310 sq m of supermarket anchor space at Basement 2 and reconfigured the area to enhance overall shopping experience. Introduced trending and popular lifestyle offerings, including Gifts & Toys and specialty F&B. The return on investment (ROI) for this reconfiguration was more than 13%.
 - **CapitaMall Grand Canyon:** Transformed an old supermarket area at Basement 1 into 7,740 sq m of refreshed tenant mix that includes a new retail concept supermarket "7Fresh", as well as 60 popular F&B outlets and trendy retail and amenity stores. Post AEL, rental income for the area grew approximately 50%.
- ▶ Unlocking Value - Completed divestment of CapitaMall Shuangjing in January 2024, as part of CLCT's proactive portfolio management strategy to focus on monetising non-core assets and seizing investment opportunities that enhance overall portfolio quality.
- ▶ Refreshed amenities and facilities to increase stickiness of consumers and tenants to our properties.
- ▶ Enhanced sustainability efforts and energy efficient initiatives

HUMAN CAPITAL

- ▶ Diversified Singapore and China workforce (20 employees in Singapore and 462 employees in China)
 - 56.4% male employees and 43.6% female employees
 - 77.4% aged between 30 and 50 years old
- ▶ 38% female employees in CLI's senior management positions; 33.3% female employees in CLCT's key management positions
- ▶ Recorded average of 75.2 training hours per employee
 - 100% of employees in Singapore attended at least 1 ESG training
 - 98.3% of employees in China attended at least 1 ESG training
- ▶ CLI global employee engagement score of 84%, with 93% survey participation
- ▶ Zero employee work-related fatality and permanent disability
- ▶ Zero contractor work-related fatality and permanent disability
- ▶ No reported incidents relating to discrimination, child labour or forced labour in CLCT
- ▶ Retained ISO 45001 certification

SOCIAL & RELATIONSHIP CAPITAL

- ▶ Organised a series of green events at several malls to raise environmental awareness, such as the 'Happy Plogging' event at Rock Square, where participants combined jogging and litter clean-up across various areas
- ▶ Held a 8km eco-green run, a weekend family bonding event at Ascendas Xinsu Portfolio that attracted 150 tenants as well as their family members
- ▶ Organised a series of sporting events and training programs at CLCT's business parks to promote wellness and environmental sustainability

ORGANISATIONAL CAPITAL

- ▶ As at 31 December 2023, CLCT Board has four female members representing 40%ⁱⁱ of the Board
- ▶ 98.1% of employees attended Fraud, Bribery & Corruption awareness and Whistle-blowing training
- ▶ 85.1% of employees attended Cybersecurity training
- ▶ 100%ⁱⁱⁱ of CLCT's supply chain agreed to abide by CLI's Supply Chain Code of Conduct

FINANCIAL CAPITAL

- ▶ Secured sustainability-linked loan of S\$100 million, forming 31% of the total outstanding loan facilities
- ▶ Please refer to the following sections in the CLCT Annual Report 2023:
 - Financial Highlights
 - Financial Review
 - Capital Management
 - Financial Statements

i Using 2019 as baseline.

ii Following the retirement of Ms Kuan Li Li with effect from 1 January 2024, as at the date of this Sustainability Report, 3 out of 9 Directors (33.3% of the Board) are female.

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

STAKEHOLDER ENGAGEMENT

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

Stakeholders	Engagement Channels	Topics	Addressed In Capitals
Employees	<ul style="list-style-type: none"> ● Regular dialogue sessions with senior management ● Employee engagement surveys ● Volunteer programmes ● Recreation club activities ● Wellness activities 	<ul style="list-style-type: none"> ● Work-life balance ● Remuneration and benefits ● Employee 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 ● Financial results and business updates announcements ● Media releases and interviews ● Annual reports and sustainability reports ● Company website ● Regular analyst and investor meetings ● Responses to sustainability surveys 	<ul style="list-style-type: none"> ● Operational efficiency, monetary savings, cost avoidance ● Earnings, net property income, distribution per unit, business strategy, market outlook ● ESG risks and opportunities 	<ul style="list-style-type: none"> ● Financial Capital ● Social and Relationship Capital
Customers (Tenants and shoppers)	<ul style="list-style-type: none"> ● Tenants: Tenant satisfaction survey, green fit-out guide and joint promotions and strategic partnerships ● Shoppers: mall campaigns, exhibition, social media campaigns ● CLI's social media channels 	<ul style="list-style-type: none"> ● Facilities management ● Customer experience 	<ul style="list-style-type: none"> ● Social and Relationship Capital ● Environmental Capital
Supply Chain (Main contractors, vendors, and suppliers)	<ul style="list-style-type: none"> ● CLI'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 ● 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

Frequency ● Annual ● Quarterly ● Ongoing

For more details on how we engaged our stakeholders in 2023, please refer to pages 48 to 51 of this ISR.

ENVIRONMENTAL

Environmental and Manufactured Capital

COMMITMENT TO MINIMISING ENVIRONMENTAL IMPACT

At CLCT, we are committed to building a robust and resource-efficient portfolio with minimal environmental impact, while creating long-term economic value for our stakeholders. We recognise that climate change poses a critical challenge to our planet and society. In addition to understanding the risks and opportunities presented, we acknowledge the tangible impacts stemming from climate change. The identified potential impacts from both physical and transition risks, and our mitigation measures are disclosed on pages 65 to 75 in this report.

Supported by our Sponsor, CLI, environmental sustainability is integrated throughout our acquisitions, asset enhancement initiatives, and day-to-day operations. As a fundamental part of CLCT's business operations, we actively monitor our portfolio's environmental footprint and take necessary actions to mitigate its impact. The efficient use of environmental resources, such as energy and water, contributes to our operational efficiency and long-term sustainability, as well as enhances resilience to climate change.

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

Material Issues



**Climate Change
and Carbon
Reduction**



**Energy
Efficiency**



**Water
Management**



**Waste
Management**



Biodiversity



OBJECTIVES

- ▶ Reduce carbon emissions and transit to low-carbon operations
- ▶ Build resilience for its portfolio against the physical impact of climate change and prepare for changing regulations toward a low-carbon economy
- ▶ Reduce energy consumption and transit to renewable energy sources
- ▶ Reduce water consumption
- ▶ Minimise waste generation and increase recycling rate
- ▶ Manage biodiversity to contribute positively to the natural environment
- ▶ Engage stakeholders to adopt environmentally sustainable behaviours



POLICIES

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



ACCOUNTABILITY

- ▶ CLCT's Chief Executive Officer (CEO) is the REIT's Environmental, Health and Safety Champion
- ▶ ISO 14001-certified Environmental Management System ensures accountability to all employees
- ▶ Key performance indicators (KPIs) are linked to remuneration for all employees in REIT Manager; performance is tracked regularly



METHOD/ACTION PLAN

Environmental Management System (EMS)

- ▶ Ensure legal compliance
- ▶ Identify environmental aspects and manage impact
- ▶ Adopt Sustainable Building Guidelines (SBG), including the Environmental, Health and Safety Impact Assessment (EHSIA)
- ▶ Appoint ISO 14001-certified main contractors and set environment targets/requirements in the procurement of products and services
- ▶ Ensure environmentally sustainable operations - implement EMS Standard Operating Procedures

KPIs and Performance-linked Remuneration

- ▶ Green existing property portfolio
- ▶ Set eco-efficiency targets and improve performance through tracking of environmental performance



STAKEHOLDER ENGAGEMENT

- ▶ Encourage end users, including tenants, shoppers, guests and the general community, to adopt environmentally sustainable habits



8km Eco-green run at Ascendas Xinsu Portfolio

ENVIRONMENTAL

ENVIRONMENTAL AND MANUFACTURED CAPITAL

CLCT'S ENVIRONMENTAL TARGETS

CLI's revised 2030 Sustainability Master Plan outlined the Group's 2030 targets and pathways to transit to a low-carbon business, improve resource use and enable a circular economy. As a CLI-listed REIT, CLCT has incorporated KPIs, most of which are linked to remuneration for all employees in the REIT Manager, including top management.

2030 SUSTAINABILITY MASTER PLAN (SMP) TARGETS AND CLCT'S PERFORMANCE

Medium-term			
Targets	2030 Target ⁱ	2023 Performance	
Low-carbon Transition	Reduce carbon emissions ⁱⁱ intensity by 72%	○	43.0% reduction in carbon emissions intensity
	Reduce energy consumption intensity by 15%	●	36.0% reduction in energy consumption intensity
	Contribute to CLI's 2030 target to achieve 45% of electricity consumption from renewable sources	○	Generated offsite renewable energy at Ascendas Innovation Towers and Ascendas Innovation Hub, contributing to 3.0% of portfolio's electricity consumption
	100% of existing buildings to achieve a minimum green rating	○	Obtained green certification for CapitaMall Xizhimen, Ascendas Innovation Towers, Ascendas Innovation Hub, Singapore-Hangzhou Science & Technology Park Phase I ⁱⁱⁱ (Including these four new assets, 36% ^{iv} of CLCT's portfolio achieved green rating)
Water Conservation and Resilience	Reduce water consumption intensity by 15%	●	39.5% reduction in water consumption intensity
Waste Management and Circular Economy	Achieve 25% waste recycling rate in its day-to-day operations	○	18.6% waste recycling rate

i Using 2019 as baseline, covering CLCT properties managed by CLI.

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

iii Attained LEED Gold status for Block 1 to 3 of Singapore-Hangzhou Science & Technology Park Phase I - the remaining blocks are LEED Gold certified since 2014.

iv By portfolio gross floor area excluding carpark space. Covers CLCT properties managed by CLI (sq m).

● Achieved/Exceeded Targets ○ In progress towards meeting 2030 targets

Short-term		
Targets (Annual)	2024 Target	2023 Performance
Sustainable Operation Excellence	ISO 14001 certification for its Environmental Management System	●
	Manage risks of environmental impact	●
	All main contractors appointed are to be ISO 14001-certified, or to comply fully with local environmental laws and regulations, and audited annually by an independent accredited assessor	●

● Achieved in 2023

ENVIRONMENTAL

ENVIRONMENTAL AND MANUFACTURED CAPITAL

MANAGING ITS ENVIRONMENTAL FOOTPRINT

CLCT adopts CLI's EMS as a key tool in managing its environmental footprint across its portfolio. The EMS is integrated with CLI's Occupational, Health and Safety Management System (OHSMS) to form CLI's EHSMS. CLI's EHSMS is audited by a third-party accredited certification body to ISO 14001 and ISO 45001 standards. ISO 14001 and ISO 45001 are internationally recognised standards for the environmental management of businesses and occupational health and safety management of businesses, respectively.

CLCT's Environmental, Health and Safety (EHS) Committee is responsible for implementing the EHSMS.

CLI ENVIRONMENTAL, HEALTH AND SAFETY POLICY

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

- ▶ Carry out exemplary EHS practices to minimise pollution and health and safety risks
- ▶ Seek continual improvement on its EHS performance
- ▶ Comply with pertinent legislations and other requirements
- ▶ Implement the CLI Sustainable Building Guidelines and Occupational Health and Safety programmes

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

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

TOP MANAGEMENT COMMITMENT AND EMPLOYEE INVOLVEMENT

CLCT's Sustainability Management Committee (SMC) is led by CLCT's CEO and supported by key management team members that oversees the REIT's sustainability objectives and strategies directly. Supporting the SMC is CLCT's Sustainability Working Committee (SWC), which collaborates closely with CLI's EHS Committee to implement sustainability-related initiatives across its operations. Additional details about CLCT's Sustainability Management Structure can be found in the Board, Top Management, and Employee Commitment and Involvement section on page 13 to 15 of this Report.

Key Performance Indicators (KPIs) Tied to Remuneration

The remuneration for all employees in the REIT Manager, including top management, is linked to CLCT's environmental targets through KPIs. Employees are actively encouraged to report environmental-related issues and complaints, as well as instances of non-compliances and non-conformities. Further information on this can be accessed in the following section of the Report.

RISK MANAGEMENT OF ENVIRONMENTAL ASPECTS AND IMPACTS

CLI's EHSMS follows a systematic approach to manage CLCT's environmental impact and continuously enhance our environmental performance by identifying and managing potential risks that could adversely affect the environment. The significance of each environmental aspect and impact is assessed through a risk assessment technique, considering factors like the likelihood of occurrence, severity of impact, and the control measures to be implemented.

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

ENVIRONMENTAL

ENVIRONMENTAL AND MANUFACTURED CAPITAL

CLCT strives to minimise environmental impacts by setting environmental targets such as green building rating targets; carbon emissions, energy, water and waste reduction targets; conducting stakeholder engagement activities; as well as implementing various measures to achieve them. The targets are linked to the remuneration for top management and employees.

Training

To ensure the effective implementation of CLI's EHSMS, comprehensive training and awareness programmes are conducted for all CLCT employees. In FY 2023, 97.2% of the property management teams in China participated in EHS-related training sessions. It is mandatory for new employees from the property management teams to be introduced to CLI's EHS Policy and EHSMS.

Please refer to the Social chapter on pages 34 to 51 of this report for more details.

Internal and External Audit

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

HIGH PERFORMANCE SUSTAINABLE ASSETS

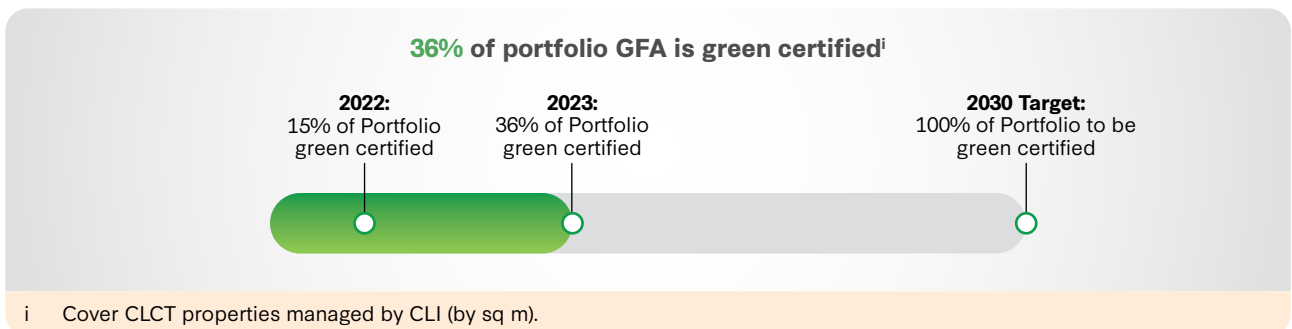
Green building ratings and certifications play a crucial role in assuring and showcasing the quality of CLCT's portfolio. These ratings serve as an external validation that key environmental aspects have been considered and incorporated in new acquisitions, refurbishment, and operations.

Green Building Rating

As part of CLI's 2030 SMP, CLCT targets 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 a World Green Building Council.

To elevate our green building commitment, a detailed work plan has been established with annual green certification targets tied to the remuneration of key management and employees. In 2023, we attained LEED Gold certification for CapitaMall Xizhimen, Ascendas Innovation Towers, Ascendas Innovation Hub, Singapore-Hangzhou Science & Technology Park Phase I.

As at 31 December 2023, 36% of CLCT's portfolio by GFA is green-certified.



ENVIRONMENTAL

ENVIRONMENTAL AND MANUFACTURED CAPITAL

Property	Certification	Year of Certification
Retail		
Rock Square	LEED Gold	2022
CapitaMall Wangjing	LEED Gold	2022
CapitaMall Xizhimen	LEED Gold	2023
Business Park		
Singapore-Hangzhou Science & Technology Park (Plot 1B)	LEED Gold	2014
Singapore-Hangzhou Science & Technology Park (Plot 1A)	LEED Gold	2023
Ascendas Innovation Tower	LEED Gold	2023
Ascendas Innovation Hub	LEED Gold	2023

Green Lease

Beyond operating environmentally sustainable properties, we recognise the significant roles played by end-users of our properties. We collaborate with tenants closely to align with both CLCT's and their sustainability goals. As of 31 December 2023, all CLI-managed properties¹⁹ in our portfolio have implemented green leases. Additionally, a green fit-out guide is provided to new tenants to encourage greener fit-outs and promote sustainable practices and behaviour.

LIFE CYCLE MANAGEMENT: CLI'S SUSTAINABLE BUILDING GUIDELINES

CLCT adheres to CLI's Sustainable Building Guidelines (SBG) for its new acquisitions and refurbishment works. The SBG is an in-house guide developed since 2007 to ensure that environmental considerations are factored in at all stages of a project, from feasibility, design, procurement, construction, operation to redevelopment. The SBG is regularly reviewed to ensure continuous improvement, with a focus on four key objectives of minimising carbon footprint and energy consumption, water management, reducing the generation of waste, and promoting biodiversity in the real estate life cycle.

Environmental, Health and Safety Impact Assessment (EHSIA)

A key component of the SBG is the mandatory EHSIA. An EHSIA is carried out during the feasibility study of CLCT's acquisitions as part of its due diligence. This involves establishing the baseline environmental performance such as energy efficiency and comparing it against CLI's 2030 sustainability targets. The assessment also includes transition and physical risks and opportunity considerations, as well as the application of an internal carbon price. This assessment would guide CLCT to consider EHS risks and opportunities upfront and identify mitigation measures earlier. The significant findings of the EHSIA and their cost implications are incorporated in the investment paper submitted to Board for approval.

Biodiversity

We recognise our role in protecting the natural environment and is committed to preserving the biodiversity of our sites as well as the wider area wherever possible. All CLCT's properties are located in urban and built-up areas. There are no sites located within protected areas and hence no material biodiversity risk is identified.

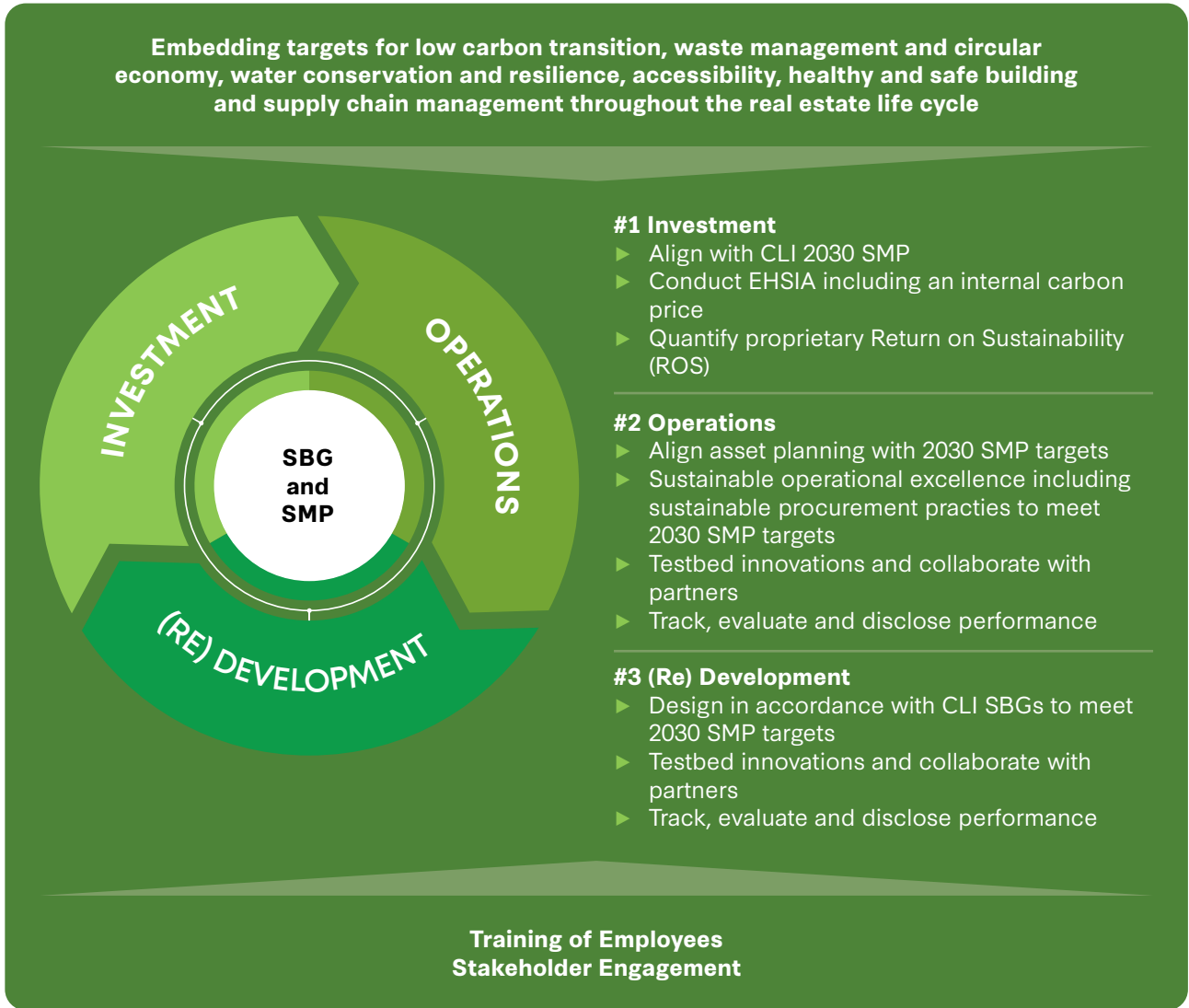
Greenery is incorporated within our properties to enhance the wellness of our end-users and the vitality of the surrounding communities over the long-term. CLI's SBG encourages the use of certified wood (e.g. wood products with Forest Stewardship Council, Program for the Endorsement of Forest Certification certifications) and other more sustainable wood materials and products such as composite wood, engineered wood and bamboo. As part of CLI's EMS, CLCT ensures wastewater is responsibly disposed of via municipal facilities to prevent water pollution and impact on biodiversity.

19 Refers to green leases implemented for new and renewed leases. Cover CLCT properties managed by CLI.

ENVIRONMENTAL

ENVIRONMENTAL AND MANUFACTURED CAPITAL

INTEGRATING SUSTAINABILITY IN CLCT'S REAL ESTATE LIFE CYCLE



TRACKING OUR ENVIRONMENTAL RESULTS

Environmental Tracking System (ETS)

Since 2008, we have monitored the energy and water usage, waste generation and carbon emissions of our managed and owned properties through CLI's Environmental Tracking System (ETS). CLCT leverages this platform to survey the various environmental initiatives implemented at its properties globally including energy and water efficiency measures, biodiversity and habitat risks, as well as physical risks that include flood risk and water management initiatives.

As a cloud-based platform, the ETS facilitates benchmarking on consumption patterns and helps identify opportunities for further operational efficiency improvements. It allows each property to conduct analysis against set targets and past trends to understand consumption patterns, compare against properties within the region, and identify areas for improvement. The consolidated data is also analysed against reduction targets. This facilitates a better understanding of consumption patterns and identification of areas for eco-efficiency improvements in CLCT's portfolio. Regular desktop audits are conducted to ensure data completeness and accuracy.

ENVIRONMENTAL

ENVIRONMENTAL AND MANUFACTURED CAPITAL

Carbon Emissions and Intensity



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

In 2023, CLCT’s total Scope 1 and 2 GHG emissions²⁰ was 40,519 tCO₂e. This translates to a carbon emissions intensity of 30.2 kgCO₂e/m², a 43.0% reduction compared to 2019 baseline. This reduction is attributed to effective energy-saving measures such as controlling indoor temperatures appropriately and ensuring equipment are switched off when not in use. On a year-on-year (YoY) basis, CLCT’s emissions intensity recorded a slight increase of 3.2%. This is due to the operational improvement of our assets as China emerged from COVID-19 as well as asset enhancement initiatives (AEI) activities that we embarked on during the year to convert spaces to common areas, resulting in higher landlord consumption.

Recognising the need to monitor and address CLCT’s indirect Scope 3 emissions, we have started tracking emissions from corporate air travel, tenants’ energy consumption and properties that are third-party managed. These contributed to total Scope 3 emissions of 98,035 tCO₂e in 2023.

Energy Consumption, Intensity and Renewables



Improving energy efficiency and implementing onsite and offsite renewables are the most impactful and cost-effective ways to mitigate emissions. In 2023, the total energy consumption of operational properties was 88,584 MWh. This translates to an energy consumption intensity of 66.1 kWh/m², a 36.0% reduction compared to 2019 baseline. On a YoY basis, CLCT’s energy consumption intensity recorded a slight increase of 6.9%, similarly due to recovery from COVID-19 and AEI activities.

²⁰ Expressed in tonnes of carbon dioxide equivalent (tCO₂e) and source of emission factor used International Energy Agency (IEA) 2023 v1.1 .

ENVIRONMENTAL

ENVIRONMENTAL AND MANUFACTURED CAPITAL

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

Focus	Initiatives
Consumption Reduction	<ul style="list-style-type: none"> Natural ventilation to reduce cooling demands. Use of sunshades to reduce solar heat and radiation. Use of daylight, sun pipes/light shelves to reduce the need for artificial lighting
Energy Efficiency	<ul style="list-style-type: none"> Install time sensors on air conditioning systems to increase energy reduction Use more efficient lighting such as LED (light-emitting diode) that are integrated with smart controls
Control, Metering and Monitoring	<ul style="list-style-type: none"> Implement IoT platform at our Business Parks, which enables centralised monitoring and data analytics-based insights towards optimising equipment performance Conduct energy audits at the properties to improve energy efficiency Building management system and sub-metering
Renewable Energy	<ul style="list-style-type: none"> CLCT to contribute to CLI's elevated renewable electricity consumption target of 45% by 2030 to catalyse the transition to a low-carbon economy through onsite installation of renewable energy generation and purchase of green power. Install solar PVs on building rooftops and purchase green power wherever feasible

RENEWABLE ENERGY

To transit to a low-carbon economy, we expedited the utilisation of renewable energy to further avoid emissions.

In 2023, CLCT achieved a significant milestone by procuring renewable energy at our properties for the first time. The offsite renewable energy procured was used at Ascendas Innovation Towers and Ascendas Innovation Hub, which contributed to 3.0% of our portfolio's electricity consumption in 2023. Additionally, CLCT successfully completed the installation of 253 solar panels on the roof of Kunshan Bacheng Logistics Park this year, with the generation of onsite renewable energy anticipated to begin in 2024.



Kunshan Bacheng Logistics Park

Water Consumption and Intensity

CLCT adopts a strategic approach to water management in its portfolio and is committed to reducing water consumption. A regular survey is conducted to better understand water source and discharge from each property. At all CLCT's properties, the primary source of water withdrawal is from municipal resources and wastewater is responsibly disposed of through municipal facilities.



Water Consumption Intensity

0.519 m³/m²



39.5% reduction compared to 2019 baseline

Exceed 2030 SMP target to reduce energy consumption intensity by 15%

ENVIRONMENTAL

ENVIRONMENTAL AND MANUFACTURED CAPITAL

In 2023, CLCT’s total water consumption was 695,401 m³. This translates to a water consumption intensity of 0.519 m³/m², a 39.5% reduction compared to 2019 baseline. On a YoY basis, CLCT’s water consumption intensity recorded a slight increase of 3.9%, similarly due to operational improvement and AEI activities. The majority of CLCT’s water usage comes from cooling towers, toilets, washing activities and landscaping.

As CLCT’s properties are mostly located in medium to extremely high-water stress areas²¹, we continue to implement initiatives to ensure efficient operations and minimise water wastage. These conservation initiatives have been rolled out in CLCT’s retail malls and business parks:

Focus	Initiatives
Consumption Reduction	<ul style="list-style-type: none"> Lowered flush volumes and water-efficient faucets Replaced corroded fixtures Installed automatic irrigation systems
Control, Metering and Monitoring	<ul style="list-style-type: none"> Installed remote meters on water supply and air conditioning systems to monitor water consumption in real-time Water audit Sub-metering to track consumption and early leak detection
Recycling and Reducing Reliance on Potable Water	<ul style="list-style-type: none"> Rainwater harvesting for landscape irrigation

Our property managers conduct routine assessments of facilities to monitor water usage, promptly identifying and addressing any fluctuations or anomalies. CLCT organises quarterly operational meetings with tenants and employees to enhance water-saving awareness, reinforcing the significance of water conservation and sharing reduction measures with stakeholders.

Waste Management

Recognising the importance of responsible waste management, CLCT actively engages stakeholders, including tenants, shoppers, and the general public, to reduce and recycle waste. Recycling and disposal bins for different waste types are strategically placed at our properties.

Our main contractors are required to implement procedures that minimise construction waste and ensure proper disposal. To further reduce our environmental impact, the collection and recycling of waste are diligently tracked by our property management teams. CLCT actively encourages and promotes eco-friendly practices within our operations, such as returning of used photocopier toner cartridges and using of paper certified by the Forest Stewardship Council (FSC) in our corporate office. To promote sustainability, CLCT's ISR is not printed and will only be made available on our website.

In 2023, CLCT collected a total of 8,139 tonnes of waste, of which 18.6% (equivalent to 1,510 tonnes) were recyclable waste comprising paper, plastic, metals and other materials. 0.1 tonnes of hazardous waste²² was collected in 2023.

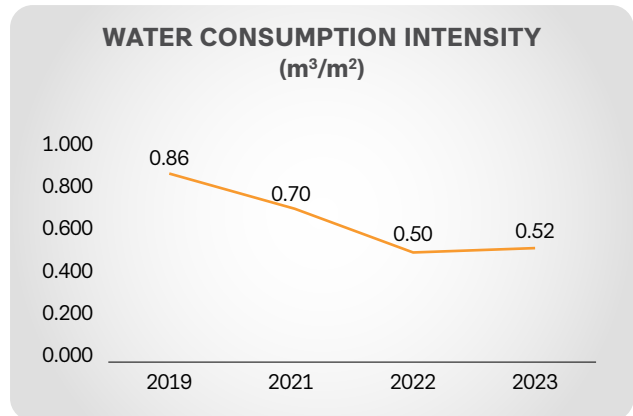
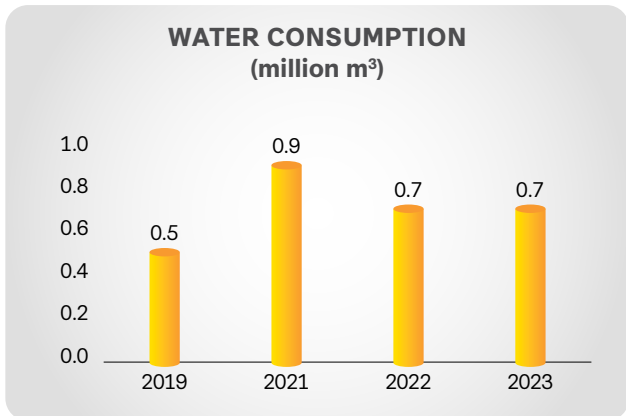
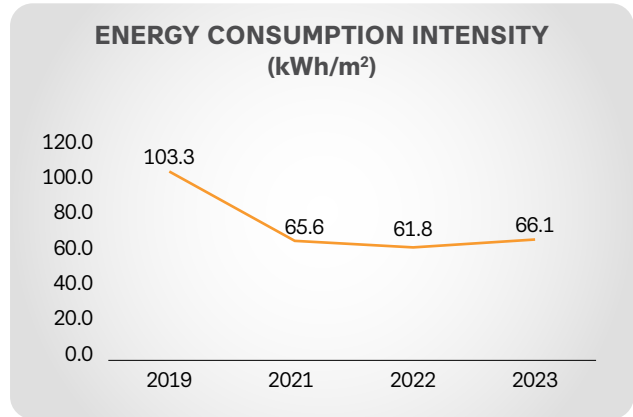
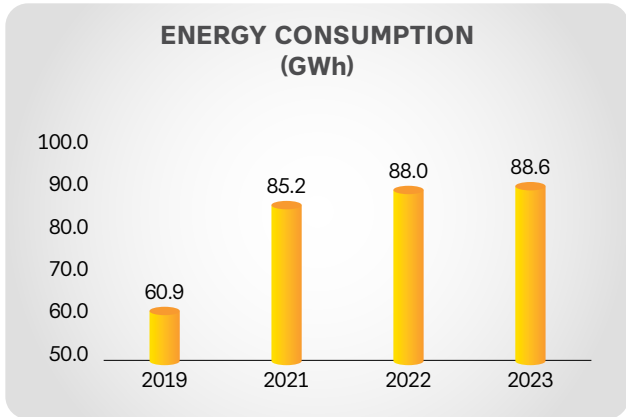
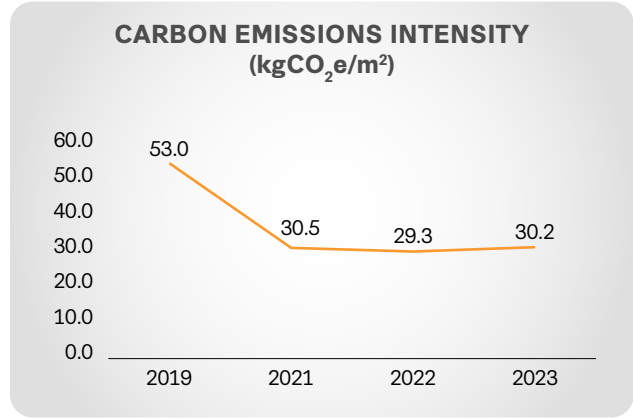
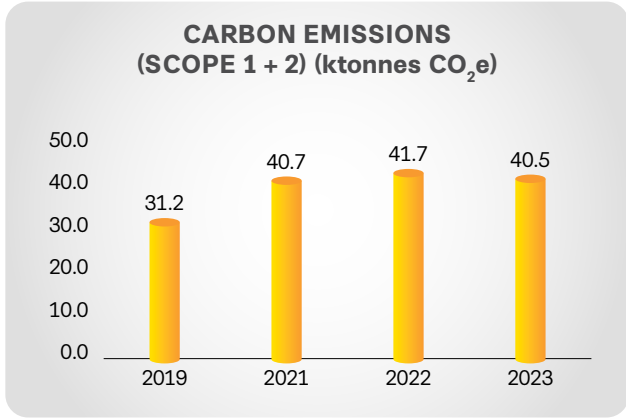
21 The water stress areas were computed using the Aqueduct tool. Data on water consumption has been gathered from the utility bill from the water providers.

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

ENVIRONMENTAL

ENVIRONMENTAL AND MANUFACTURED CAPITAL

MONITORING OUR ENVIRONMENTAL PERFORMANCE





Human Capital | Social and Relationship Capital

COMMITMENT TO A HEALTHY AND SAFE WORKPLACE

The occupational health and safety (OHS) of CLCT's employees, tenants, supply chain partners, and the communities which use its properties, is of utmost importance to us. Effective OHS management elevates safety and enhances employee productivity and morale. As a CLI-listed REIT, CLCT adopts CLI's OHS framework, which includes identifying material issues, developing action plans, setting policies, ensuring accountability within the REIT and engaging stakeholders.

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



OBJECTIVES

- ▶ Promote the culture of individual ownership and responsibility for OHS management from CLCT's top management and employees, to stakeholders including tenants and supply chain partners such as vendors, service providers and main contractors
- ▶ Reduce occupational injury rates to achieve zero harm
- ▶ Leverage on CLI's robust OHS Management System to meet and exceed OHS legal requirements

POLICIES

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



ACCOUNTABILITY

- ▶ CLCT's Chief Executive Officer (CEO) is accountable for OHS performance
- ▶ Managers and employees are accountable for OHS performance and implementation through the ISO 45001 certified OHS Management System
- ▶ Key performance indicators (KPIs) are linked to remuneration of all CLCT REIT Manager employees



METHOD/ACTION PLAN

OHS Management System

- ▶ Legal compliance
- ▶ Identification of hazards and risk assessment
- ▶ Sustainable Building Guidelines - Design for Safety
- ▶ Environmental, Health and Safety Impact Assessment (EHSIA)
- ▶ Safe operations - OHS Standard Operating Procedures (SOPs)

KPIs

- ▶ OHS performance of CLCT's employees and contractors
- ▶ Stakeholder engagement
- ▶ Give preference to ISO 45001 certified vendors/ service providers
- ▶ Appointment of ISO 45001 certified main contractors, or require OHS legal compliance audit



STAKEHOLDER ENGAGEMENT

- ▶ Share CLI Environmental, Health and Safety (EHS) Policy with supply chain partners
- ▶ Engagement with supply chain partners on OHS matters
- ▶ Educate key stakeholders, including shoppers, tenants, guests, and the public



First aid course organised in Ascendas Innovation Towers and Ascendas Innovation Hub

SOCIAL

HUMAN CAPITAL

2030 SMP TARGETS AND CLCT'S PERFORMANCE

Medium-term Targets	2030 Targets ⁱ	2023 Performance
Human Capital Development	Employee engagement score of at least 80% (with at least 85% participation)	● 84% CLI global employee engagement score ● 93% participation rate
	At least 85% of CLCT's employees to attend one ESG training programme	● 100% and 98% of CLCT's employees attended at least one ESG programme in Singapore and China respectively
Supply Chain Management	Contractors and vendors to abide by CLI's Supply Chain Code of Conduct	● 100% ⁱⁱ of CLCT's supply chain agreed to abide by CLI's Supply Chain Code of Conduct

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

ii Property maintenance and project related contracts for owned and operationally-managed properties and projects. This includes supply chain complying with their own code of conduct which is equivalent or more stringent than CLI Supply Chain Code of Conduct.

● Achieved/Exceeded Targets

Short-term Targets (Annual)	2024 Targets	2023 Performance
Human Rights	Zero tolerance to child/forced labour	● Zero child/forced labour
Occupational Health & Safety	Maintain ISO 45001 certification for its OHS Management System	● Retained ISO 45001 certification
	All main contractors appointed are to be ISO 45001 certified (or to comply fully with local OHS laws and regulations, and annually audited by an independent accredited assessor)	● All main contractors are covered by OHSMS, of which, all newly appointed main contractors in 2023 are ISO 45001 certified
	Zero incident resulting in CLCT employee fatality and permanent disability	● Zero CLCT's employee work-related fatality and permanent disability
	Zero incident resulting in contractor employee fatality and permanent disability	● Zero contractor employee work-related fatality and permanent disability

● Achieved/Exceeded Targets

TOP MANAGEMENT COMMITMENT AND EMPLOYEE INVOLVEMENT

CLI champions OHS with commitment from the top management and employee participation through an integrated EHS Management System as well as stakeholder engagement activities. CLCT's CEO is accountable for the OHS performance of CLCT. Employees are required to take personal responsibility for their OHS and are encouraged to be forthcoming in reporting OHS-related incidents, including non-compliances and non-conformities.

Key Performance Indicators (KPIs) Tied to Remuneration

CLCT integrates OHS KPIs with the remuneration of all CLCT employees, including its top management.

ROBUST OHS MANAGEMENT SYSTEM

Going above and beyond minimum regulatory requirements, CLCT's approach to health and safety is guided by CLI's OHSMS, which is accredited to the international ISO 45001 Standards. As a CLI-listed REIT, CLCT adheres to CLI's EHS Policy, which outlines its commitment to manage OHS issues. This policy is communicated regularly to employees through meetings or other communication channels. Further details on CLI's EHS Policy can be found on page 25 of this Report, or at <https://www.capitaland.com/en/investment/sustainability/esg-policies.html>.

Certified to International Standards

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

Internal and External ISO Audits

CLCT leverages CLI's internal audit system to assure EHS conformance and effective implementation that is aligned to the ISO 14001 and ISO 45001 standards. Internal audits are scheduled at least once a year in China for selected CLI sites. Additionally, external audits are scheduled annually with an accredited third-party certification body. These audits offer assurance to stakeholders regarding the EHS legal compliance and commitment to best practices.

Compliance

Legal requirements are reviewed on a quarterly basis, and adherence to these requirements are evaluated annually.

Risk Management of OHS Hazards

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

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

The results from the risk assessment performed shall form the basis of the control measures that include house rules, guidelines, or OHS programmes.

A cross-functional team comprising members from various work areas is formed to conduct Hazard Identification and Risk Assessment (HIRA). Hazard Identification entails recognising the hazards connected to each job activity and determining the potential accidents or incidents that could occur. The primary objective during this phase is to identify hazards and engage in brainstorming to consider all possible types of accidents or health issues that may arise.

Any work-related injuries or illnesses experienced by an employee while on the premises that lead to death, lost workdays, medical treatment, or first-aid treatment, along with all near-miss incidents, must be promptly reported and investigated. Employees can do so by alerting the casualty's immediate supervisor within 24 hours.

SOCIAL

HUMAN CAPITAL

Upon receiving a report, the Supervisor will commence investigation of the root cause, conduct a risk assessment for corrective actions before performing the necessary corrective action. The risk assessment evaluates risks based on the potential severity and likelihood, while control measures implemented should consider any applicable legal requirements and codes of practice.

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

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

Once the corrective actions have been carried out and completed, the Supervisor is required to submit an Incident Investigation Report to the respective Strategic Business Unit (SBU) Human Resource and SBU EHS Management Representative (EHSMR) within 7 calendar days of the incident. The EHSMRs will track and document the corrective actions implemented and any observed trends in incident occurrence within the HIRA register accordingly. The HIRA is reviewed annually, or following an incident, or a significant change in processes.

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

Key measures taken through OHSMS	
When utilising OHSMS, CLCT ensures compliance to ISO 45001 across all our projects and follows the measures below	
For Employees	<ol style="list-style-type: none"> 1. Identify potential hazard sources and conduct risks assessments based on the nature of each building (i.e., Commercial, Office, industrial parks, logistic parks). Safety measures should be outlined and taken according to safety regulations. 2. Before each work operations, employees will be provided with safety technology disclosure (training) and equipped with personal protective equipment (safety shoes, safety helmets, safety belts, etc.). 3. The department head will regularly inspect the work site and supervise the safety behaviour of employees.
For Tenants	<ol style="list-style-type: none"> 1. Safety production agreement is to be signed alongside with lease contract. This is to inform tenants of the safety required within the rented area, and safety measures have to be followed. 2. Requires tenants to identify potential hazard sources and take risks assessment that are relevant to their businesses. Safety measures should also be outlined and taken according to safety regulations. 3. Similar to CLI, a SOP for safety management has been developed that focuses on secondary renovation, fire safety, warehouse safety management. In addition, safety inspections for tenants will also be conducted. CLCT strictly enforces these regulations through regular inspections to ensure the health and safety of our stakeholders.

SOCIAL

HUMAN CAPITAL

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

Training and Awareness - OHSMS

To facilitate the effective implementation of CLI's OHSMS, training and awareness programmes are organised as part of the integrated training for employees. The OHS of employees were improved through the study of various safety and health courses.

Training sessions are also conducted for CLCT's contractors and suppliers, as part of our efforts to foster a more environmentally conscious and safe culture for our stakeholders. In 2023, 100% contractors and suppliers attended in-house safety training, covering EHS-related topics.

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

MEASURING OUR SAFETY PERFORMANCE

Work-Related Injuries

CLCT's OHS performance monitoring includes all employees (both full-time and part-time) and contractors involved in the daily operations. This year, there were zero incidents of work-related injuries²³, work-related fatalities, high consequence injuries and occupational diseases involving CLCT employees and contractors.

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

Employees	2023			2022	2021
	Singapore	China	Overall	Overall	Overall
Fatalities	0	0	0	0	0
Lost-day injuries	0	0	0	0	1
Injury rate (number of injuries per million hours worked)	0	0	0	0	0.9
Lost day rate (number of lost man-days per million hours worked)	0	0	0	0	315.8
Absentee rateⁱ (% of total workdays scheduled)	1.35%	1.0%	1.02%	1.5%	1.3%

ⁱ Absentee rate was based on medical leave taken by CLCT employees, regardless of whether it was a work-related illness or not.

Workers Who Are Not Employees	2023	2022	2021
Fatalities	0	0	0
Injuries	0	0	0

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

SOCIAL

HUMAN CAPITAL

OHS AND WELLNESS OF STAKEHOLDERS

CLCT recognises the importance of the role that end-users of its buildings and its supply chain play. It actively engages its employees, tenants, supply chain partners as well as the wider community to encourage overall well-being, health and safety.

Employee Wellness

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

Throughout 2023, CLI has invited subject-matter experts to conduct various health and wellness talks. A collection of these resources and tools are available on the intranet to help employees gain awareness on the different aspects of mental health. Within CLI, there are also mental wellness ambassadors who have volunteered their time for employees who require emotional support. These initiatives are communicated to all CLCT's employees through email correspondences and the intranet.

Annual health screening programmes are available to all employees in Singapore and China. Within CLCT, 60.0% of the employees in Singapore and 68.8% of the employees in China participated in health screening in FY 2023.

Tenants and Community

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

Supply Chain Management

CLCT is committed to upholding high-quality EHS standards which extends beyond its internal stakeholders to its value chain partners such as contractors and suppliers. The foundation of CLCT's engagement with supply chain partners is the CLI Procurement Policy²⁴ and the CLI's Supply Chain Code of Conduct²⁵, which aim to encourage responsible operations in the areas of anti-corruption, human rights, health and safety, as well as environmental management. Contracts are allocated through a detailed procurement process that involves a rigorous tender selection, evaluating both financial and non-financial factors, including compliance with safety standards.

Contractors are selected only after they meet rigorous criteria related to environmental, health and safety and other business-related considerations. CLI's in-house contractor management guidelines require all contractors to comply with local government and other legal requirements. Companies that are certified with ISO 14001 and ISO 45001, or their equivalents, are given priority.

In 2023, 100%²⁶ of CLCT's supply chain agreed to abide by the CLI Supply Chain Code of Conduct. For more information on sustainable procurement principles, please refer to page 50 of this report.

24 This policy was approved by the CLI Top Management.

25 An extract of the CLI Supply Chain Code of Conduct is available on <https://www.capitaland.com/en/about-capitaland/sustainability.html#tab-0-social>.

26 Property maintenance and project related contracts for owned and operationally-managed properties and projects. This includes supply chain complying with their own code of conduct which is equivalent or more stringent than CLI Supply Chain Code of Conduct

SOCIAL

HUMAN CAPITAL

Supply Chain – Contractors in Operational Properties

CLI's in-house contractor management guidelines mandate that all contractors must adhere to local government and other legal requirements. Vendors are required to submit a copy of their risk assessments where their activities may affect the OHS of employees or visitors.

Contractors are also provided with a copy of CLI's EHS Policy. They are obligated to ensure that their employees are adequately trained or informed about EHS measures and abide to contractor house rules stipulating requirements such as the deployment of personal protective equipment, the reporting of accidents, and proper disposal of debris and toxic waste.

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

Quarterly evaluations are conducted, in the form of interviews, for key service providers such as security, cleaning, elevator maintenance, air-conditioning maintenance and fire protection agencies to ensure consistent service quality. Monitoring and evaluation of factors such as safety control measures and equipment usage status are conducted based on a scoring system specified in the contract.

HUMAN RIGHTS

CLCT adopts CLI's integrated human capital strategy to recruit, develop and motivate employees. KPIs for both the business and people development are in place to align employees' performance goals with business objectives. Employees are offered appropriate training opportunities to perform well in their jobs.

CLI has a Social Charter²⁷ approved by top management, which articulates CLI's commitment to upholding human dignity and respect for each individual. This charter addresses topics, including human rights, child labour, forced labour, human trafficking, code of conduct, diversity and inclusion, and healthy work-life balance. Other human rights related policies such as grievance handling and harassment policies are also in place. As a CLI-listed REIT, the Social Charter is applicable to all CLCT employees and guides the REIT in fostering a supportive and respectful environment across all aspects of CLCT's business and operations.

To enhance accessibility, information including employment terms, benefits and practices, Ethics and Code of Business Conduct and the Fraud, Bribery, and Corruption Risk Management Framework is provided to all employees through the intranet.

Anti-Child Labour and Anti-Forced Labour

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

In 2023, CLCT had no reported incident relating to discrimination, child labour or forced labour, and no employees was below the age of 16.

27 CapitalLand Social Charter is available on <https://www.capitaland.com/en/about-capitaland/sustainability.html#tab-0-social>.

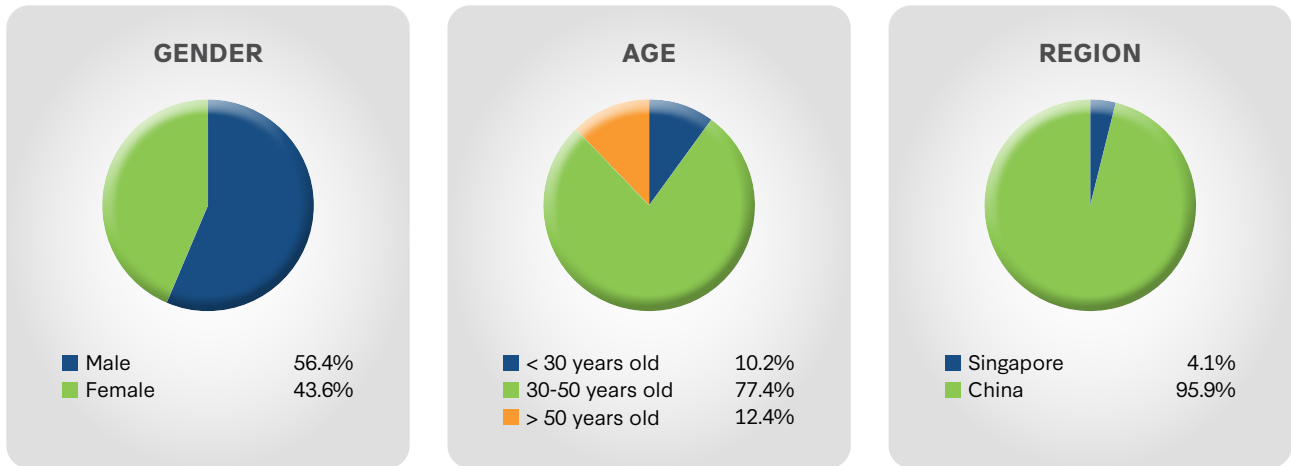
SOCIAL

HUMAN CAPITAL

Diversity, Equity and Inclusion (DEI)

CLCT embraces diversity, equity and inclusivity regardless of age, religion, gender, race, nationality and family status. We believe that employees can make significant contributions based on their talent, expertise and experience. Having a gender diverse mix of employees is also a target in the refreshed CLI 2030 Sustainability Master Plan. CLI tracks its performance and report to relevant stakeholders periodically.

As of 31 December 2023, CLCT has a total of 482 employees in Singapore and China.



We identify talent internally and externally to build bench strength as well as talent pipeline for leadership succession planning. Apart from fresh graduates, CLCT also employs experienced and mid-career professionals as well as industry veterans. More than 75% of CLCT's total workforce is aged 30 to 50 years old.

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

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

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

In 2023, HR continued to organise talks relating to DEI, including human rights and diversity-related talks. Specifically, a 3-part e-learning series on the Fundamentals of DEI, that covered topics that include "Understanding Diversity, Equity and Inclusion", "Implicit and Unconscious Bias", and "Inclusive Management" was rolled out to create awareness on working in and leading diverse teams at the workplace. All employees were encouraged to attend, and the attendance was compulsory for more senior employees who played a vital role in sharing the culture.

Gender Diversity and Pay Parity

CLCT's workforce features a balanced gender distribution, maintaining a male to female ratio of 56:44. We demonstrate our commitment to gender diversity and inclusivity with 57.4% of our managerial employees and 33.3% of our key management represented by female employees.

SOCIAL

HUMAN CAPITAL

CLCT adopts CLI's incentive system, which focuses on performance and is gender-agnostic. All employees, regardless of gender, are rewarded fairly based on merit, ability, and experience for comparable roles across the organisation.

Job Creation and Employment

CLCT is committed to providing meaningful jobs and talent mobility where employees are given opportunities to rotate across different job functions, subject to competency requirements and business needs. Employees who have reached the minimum retirement age may choose to continue working in accordance with our re-employment policy.

Employees

As at 31 December 2023, CLCT has a total headcount of 482 full-time and permanent employees. In 2023, CLCT's new hire rate was 20.0% in Singapore and 8.2% in China, totalling 8.7% for both countries.

New Hire - Total

Employees	Total New Hire	Total Employees	New Hire Rate
Singapore	4	20	20.0%
China	38	462	8.2%
Total	42	482	8.7%

New Hire - by Gender

Employees	Male	Female	Total
Singapore	1	3	4
China	19	19	38
Total	20	22	42

New Hire - by Age Group

Employees	<30 years old	30-50 years old	>50 years old	Total
Singapore	1	3	0	4
China	11	27	0	38
Total	12	30	0	42

In 2023, our employee turnover rate, including both voluntary and involuntary, was 10% in Singapore and 14.7% in China. This translates to a total turnover rate of 14.5% for both countries.

Turnover - Total

Employees	Total Turnover	Total Employees	Turnover Rate
Singapore	2	20	10.0%
China	68	462	14.7%
Total	70	482	14.5%

Turnover - by Gender

Employees	Male	Female	Total
Singapore	0	2	2
China	36	32	68
Total	36	34	70

Turnover - by Age Group

Employees	<30 years old	30-50 years old	>50 years old	Total
Singapore	1	1	0	2
China	17	44	7	68
Total	18	45	7	70

SOCIAL

HUMAN CAPITAL

55.0% of CLCT employees in Singapore and China have been with CLCT for five years or longer. CLCT interviews resigning employees as part of its continuing efforts to improve its retention policies and initiatives. There were no temporary employees, non-guaranteed hours employees or part-time employees directly employed by CLCT in 2023.

CONTINUED EMPLOYABILITY – CLI'S TRANSITION ASSISTANCE PROGRAMME

CLCT leverages CLI's transition assistance programme to engage with employees who are approaching retirement, starting nine months prior to their retirement date. This programme aims to re-evaluate their career options, which may include early retirement, step-down positions, or consultancy roles. Furthermore, CLI provides support for a smooth life transition by offering programmes that address health, wealth, and emotional well-being to these retirees. These programmes include training workshops aligned with CLI's Building Capability Framework to equip them with future-ready skills, as well as educational talks on health, wealth, and career strategies held throughout the year.

In cases where employees experience involuntary career endings, CLI initiates one-on-one conversations to understand their plans and life goals. Through these conversations, CLI helps to explore suitable redeployment opportunities, either within the company or collaborate with external agencies, such as the e2i – Employment & Employability Institute, to secure appropriate placements that leverage the affected employee's skills and experience. In accordance to the Tripartite Guidelines on the Re-employment of Older Employees, affected Singapore-based employees who choose to exit the company without accepting the re-deployment opportunities will receive an employment assistance payment to support in their transition.

Workers Who Are Not Employees

As of 31 December 2023, there are four workers who are not considered CLCT employees. These workers were assigned to CLCT's Finance, Investment and Portfolio Management and Investor Relations departments, and their work scope was managed by CLCT. There were no significant changes in the number of workers who are not employees in 2023.

This year, a total of 1,627 term contractors were engaged by our property management team as elevator maintenance, fire protection facility maintenance, security guards, cleaners for our properties in China.

Fair Remuneration

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

To maintain a competitive edge in attracting and retaining the right talent, CLI employs the services of external, independent remuneration consultants to benchmark the company's compensation packages against the relevant talent markets. Salaries are evaluated against the benchmarks, with consideration given to specific job scope and responsibilities of each employee. Annual performance reviews are conducted for all employees, providing an opportunity for open discussions about performance, areas for improvement, development needs, and career aspirations.

CLCT ensures its remuneration packages are comprehensive and competitive that are reviewed regularly against market benchmarks based on job roles using gender-neutral pay surveys provided by independent remuneration consultants.

Sustainability targets are used to determine individual remuneration outcomes (financial and non-financial). In addition to base salary, CLCT provides other compensation components that include short-term cash bonuses and long-term equity-based reward plans. CLCT's overall annual variable bonus pool is determined based on

SOCIAL

HUMAN CAPITAL

the Group's achievement against a holistic set of quantitative and qualitative targets in the Balanced Scorecard dimensions of Financials, Execution, Future Growth, Talent Management and Sustainability (including Environment, Social and Governance factors).

Following the pay-for-performance philosophy that is adopted across CapitaLand group, these components are differentiated based on employees' relative contributions and individual performance. Bonus awarded to eligible managerial grades will be delivered in a combination of cash and deferred share units, which will be vested over three equal tranches. Senior management are granted additional contingent share units, subject to a 3-year performance period and will be vested if the pre-determined performance conditions are achieved. The performance conditions include measures and targets on total unitholder return and ESG.

Respect for Freedom of Association

We respect our employees' right to freedom of association and membership in trade unions. In Singapore, CLI is guided by the Industrial Relations Act that allows the representation of employees by trade unions for collective bargaining. This provision offers employees an avenue to address any industrial disputes. CLI and the unions enjoy a cordial working relationship, promoting positive working conditions and improving productivity for the mutual benefit of employees and the company.

In 2023, 10% of CLCT's workforce in Singapore is covered by collective agreements. Notwithstanding this, all other CLI employees not covered by collective bargaining agreements will have their key employment terms aligned to the relevant legislation in the countries they operate in.

Harassment and Grievance Handling

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

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

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

All complaints of harassment will be investigated and resolved promptly. The identity of the employee who filed the complaint and the concerns raised will be kept confidential. The following actions will be taken by CLCT should there be any harassment cases:

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

SOCIAL

HUMAN CAPITAL

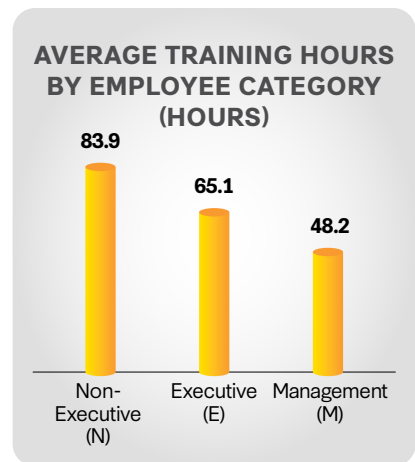
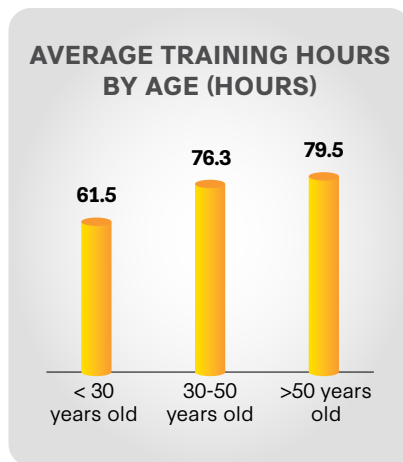
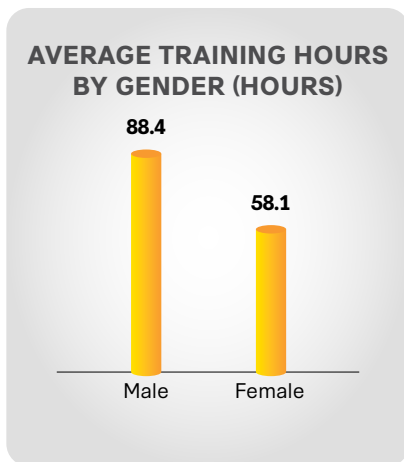
TALENT MANAGEMENT

We seek innovative, dynamic, and talented employees to take CLCT into its next phase of growth, employing a multi-pronged approach to manpower planning. This includes nurturing internal talent, as well as recruiting young graduates, mid-career professionals, and seasoned industry experts. We are committed to enhancing our management team's depth by consistently identifying high-potential employees as a key component of our ongoing leadership development and succession planning efforts.

Training and Development - Upskilling the Workforce for the Future

We are committed to empowering a future-ready workforce. To facilitate easy access to learning resources, CLCT taps on CLI's online learning platform that is made available for all employees. This initiative allows our employees to tap into a wide range of courses, providing them the flexibility to tailor their learning experiences to suit their individual schedules and bolster their professional skills.

In 2023, 100% of CLCT's employees in Singapore and 98.7% of CLCT's employees in China participated in at least one learning event. For the same period, 100% of employees in Singapore and 98.3% of employees in China attended at least one ESG training.



LEARNING CARENIVAL (CARING, AGILITY, RESILIENT AND EVER-READY)

Since 2017, CLI has organised the annual Learning Festival to promote continuous learning among all employees. It features bite-sized talks that are centred on the latest trends and developments in the industry, digital awareness as well as soft skills.

The Learning Carenival was held twice in 2023; the first session was held virtually in April, while the second session was held in-person in September. Both sessions offered enriching learning experiences, with valuable insights shared by our industry partners and distinguished speakers. Covering a broad range of topics, these discussions delved into digital fluency, holistic well-being, career resilience, sustainability, and innovation, providing attendees with a comprehensive understanding and diverse perspectives.

SOCIAL

HUMAN CAPITAL

Positive Work Environment

CLCT recognises the significance of a positive work environment in attracting, motivating, and retaining talent. We leverage on CLI's comprehensive well-being programme that promotes personal development, health and work-life harmony. Initiatives include medical and benefits plans, flexible work arrangements, and employee engagement programmes. All CLCT employees are entitled to non-salary benefits, including part-time and contract employees.

All CLCT employees are entitled to parental and childcare leave. In 2023, 5²⁸ eligible female employees took maternity leave and 3 returned to work in the same year²⁹. CLI also provides paid paternity leave to all male employees in Singapore and China. In 2023, 8²⁸ eligible male employees took paternity leave in 2023 and returned to work in the same year²⁹. Going beyond legal requirements, CLCT also provides Family Event leave for employees to attend to family related activities. To promote community engagement, CLCT employees are granted three days of Volunteer Service Leave annually, allowing them to actively participate in volunteering activities and contribute to society.

CLCT complies with the social security contribution or pension plan obligations specific to the countries it operates in. In Singapore, the Central Provident Fund (CPF) is a comprehensive social security savings plan introduced by the Singapore government to enforce savings by salaried workers for a more secure retirement. Under the CPF scheme, CLCT and its employees make monthly contributions to the employee's CPF account in accordance with the prevailing regulations.

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

EMPLOYEE ENGAGEMENT

CLCT actively engages its employees 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. Within CLCT, regular interaction sessions are held between the CEO and the team to ensure there is regular two-way communication. Various events are also organised to provide more opportunities for employee engagement in different setting and interaction across CapitaLand Group.

CAPITALAND GROUP SPORTS DAY 2023

The inaugural CapitaLand Group Sports Day 2023 was a fun filled event, bringing together approximately 1,400 employees to participate in friendly interhouse games such as team relay, basketball, table tennis and captain's ball. This event exemplified CLI's dedication to promoting a healthy work-life balance and upholding a positive company culture.

STAFF COMMUNICATION SESSIONS

Quarterly staff communication sessions by the Group CEO allowed the Group's senior management team to engage and interact with employees, including CLCT's employees. These sessions were available on live webcast. During these sessions, information on the Group's financial results and key business focus were shared and employees were able to post questions either through an online platform prior to the session or in real-time during the Question and Answer segment.

CLI LISTED FUNDS - CROSS-REIT SHARING AND TEAM BONDING

This event was organised to promote knowledge sharing and enhance team bonding among the CLI-listed funds. The session began with a panel discussion, during which leaders shared their valuable insights into the challenges and opportunities present within various real estate sectors and regions. Following this, a team-building activity took place, where participants worked together to assemble refurbished bicycles for charitable purposes.

28 This figure excludes staff whose paternity/maternity leave crossed over into 2024 and hence have not returned to work in 2023

29 In 2022, 3 female and 1 male employee who took parental leave (maternity and paternity leave) continued to work in CLCT 12 months after they returned from parental leave.

SOCIAL

SOCIAL AND RELATIONSHIP CAPITAL

CLI Employee Engagement Survey 2023

In 2023, CLI launched a Pulse Survey from 16 October to 3 November, conducted by an independent third-party vendor. The purpose was to assess CLI's employee engagement and well-being level to anticipate attrition as well as identify trends and gaps. It is meant to be a mid-term assessment before launch of the next full-scale Employee Engagement Survey in 2024. The survey consisted of 8 scale questions and 2 open-ended questions. The scale questions are aligned to 5 key themes relating to employee experience: Senior Leadership, Immediate Manager, Employee Engagement, Core Values and Well-being. Open-ended questions allowed employees to share feedback on organisational culture, as well as areas for improvement and suggestions.

STAKEHOLDER ENGAGEMENT

CLCT's social and relationship capital are cultivated within our community, strengthening our social licence to operate and our capacity to generate sustainable value to our stakeholders over the long-term.

Stakeholders are groups that CLCT's business has a significant impact on and those with a vested interest in its operations. Our key stakeholders include employees, investors, analysts, media, tenants, shoppers, suppliers, government agencies, regulators, and the local communities.

We prioritise understanding the perspectives of our stakeholders, ensuring clear and effective communication with them, and addressing their concerns through diverse engagement methods. The activities related to our stakeholder engagement are detailed below.

Employees

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

FOSTERING A CULTURE OF EMPLOYEE VOLUNTEERISM

CLCT advocates employee volunteerism as an integral part of building a caring and inclusive community. As a CLI-listed REIT, CLCT grants employees up to three days of Volunteer Service Leave (VSL) per calendar year and employees are encouraged to contribute their time and talent for approved charitable causes with the Group's philanthropic arm, Capitaland Hope Foundation or on their own. Employees who utilise all three days of VSL are eligible to nominate a registered charity to receive a donation from CHF, as part of its recognition and appreciation for volunteers.

In 2023, 57 CLCT employees tapped on the VSL to contribute more than 500 hours for various activities.



Investors, Analysts and Media

Enhancing confidence within our investment community relies on robust corporate transparency and effective two-way communication. CLCT's investor relations (IR) policy, accessible on our website (www.clct.com.sg), serves as the foundation for executing our communication activities effectively.

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

SOCIAL

SOCIAL AND RELATIONSHIP CAPITAL

We strive to furnish accurate and timely information to foster trust and confidence through consistent and clear communication with our stakeholders, allowing them to make well-informed investment decisions.

All material information, including financial results, business updates, annual reports and presentation decks used at conferences and roadshows, is promptly disclosed on SGXNet and CLCT's corporate website. Investors can subscribe to email alerts for timely updates on CLCT's announcements and press releases. A dedicated "Ask Us" email address (ask-us@clct.com.sg) is available to investors and the general public who may wish to reach out to us. CLCT organises diverse events and participates in conferences year-round, providing opportunities for the investment community and media to engage with the senior management team and gain insights into the REIT's operations.

For more details on CLCT's investor and media relations efforts, please refer to Investor Relations section, page 49 to 51 in the CLCT Annual Report 2023.

Customers (Tenants and Shoppers)

In line with CapitaLand's sustainability strategy, tenant and shopper engagement remains a key focus at CLCT. CLCT actively organises community-building initiatives to enhance tenant stickiness. Numerous events were conducted in 2023 to foster greater interaction and build a thriving community.

HAPPY PLOGGING, ROCK SQUARE

Rock Square held a 'Happy Plogging' public welfare activity, in which participants, including CapitaLand employees, combined jogging and litter clean-up across various areas. The event aimed to promote the sustainable development of communities and encourage participants to embrace a healthy and active lifestyle while making a positive impact on the environment.



LEISURE SPORTS MEET, ASCENDAS INNOVATION TOWER AND ASCENDAS INNOVATION HUB

As part of our ongoing commitment to foster healthy work-life balance, Ascendas Innovation Tower and Ascendas Innovation Hub organised a leisure sports meet during the summer. This event provided a refreshing opportunity for participants to relax and unwind, attracting around 300 participants from 70 tenants. It served as a valuable platform for promoting well-being within our community, aligning with our dedication of creating a positive and thriving work environment.

CLCT conducts regular tenant satisfaction surveys at its shopping malls and business parks. The feedback obtained is reviewed and relevant follow-up actions are taken to improve the experience and service levels rendered to tenants at CLCT's properties.

In 2023, tenant satisfaction surveys were conducted at all 14 CLCT properties managed by CLI, with an overall participation rate of 77.2%. CLCT garnered feedback on a range of matters from cleanliness, security, mall ambience to the adequacy of car park lots. On average, 95.5% of the respondents expressed satisfaction with the services rendered. The survey is useful in providing specific and actionable feedback, which allows us to better address our tenants' needs and concerns. The feedback obtained is reviewed and relevant follow up actions are taken to improve the experience and service levels to our tenants and shoppers.

SOCIAL

SOCIAL AND RELATIONSHIP CAPITAL

Supply Chain

As a CLI-listed REIT, CLCT adopts the sustainable procurement principles in the CLI Procurement Policy. This is in alignment with CLI's sustainability commitments as a signatory to the United Nations Global Compact (UNGC). Its supply chain providers (suppliers) are assessed for their ability to adhere to CLI's sustainability practices during the admission and pre-qualification stages. The appointed suppliers are subject to regular evaluations of their performance to ensure ongoing adherence to the procurement policy. Non-compliances will be flagged out for correction and high sustainability risk suppliers with performance issues will be monitored closely for improvement. Suppliers that contravened or attempted to contravene any Anti-Corruption Laws will be subject to termination of the contract.

To further strengthen CLI supply chain management, CLI subscribed to an external platform which will conduct an ESG due diligence screening on CLI suppliers based on publicly available information. Suppliers are screened and rated based on the risk and resilience of each ESG factor, which include corruption, human rights, politically exposed parties, sanctions, safety, environmental regulation breaches, etc.

For more information on supply chain management, please refer to page 40 of this report.

Government Agencies and Regulators

CLCT is committed to regulatory compliance. Procedures are in place to ensure that its activities and operations comply with existing regulatory requirements. This commitment is upheld through consistent monitoring, evaluation, and audit of the CLI EHS management system.

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, 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 supports CLCT's business growth.

Our Sponsor, CLI, actively invests into the local communities in which it operates, by identifying suitable causes with local stakeholders and involving CLI employees. CapitaLand Hope Foundation (CHF), the philanthropic arm of CapitaLand Group, contributes towards building resilience in communities where CapitaLand operates, through supporting education, health and well-being initiatives, targeting at children, youth and seniors. Over the years, CHF has successfully launched several flagship programmes such as CapitaLand Hope School Programme, #LoveOurSeniors Programme and CapitaLand-Bright Horizons Fund Ready-for-School Programme.

#LoveOurSeniors Meal Delivery

The CHF is dedicated to supporting seniors in aging comfortably within their community through the #LoveOurSeniors initiative. This initiative aims to improve the quality of life for seniors, through better nutrition, enhanced well-being and improved living conditions. Through a range of supportive activities, #LoveOurSeniors is committed to ensuring that the elderly remain connected, engaged, and valued members of the community. Over 3,150 seniors benefitted from the #LoveOurSeniors initiative in 2023. CHF collaborated with Dorcas Home Care Service, Thye Hua Kwan Moral Charities, and TOUCH Community Services, to provide over 4,000 meals to the vulnerable seniors. Over 300 volunteers from CapitaLand Investment (CLI) including CLCT employees contributed to this meaningful activity.

SOCIAL

SOCIAL AND RELATIONSHIP CAPITAL

#LoveOurSeniors Senior Outing with Fei Yue Community Services

During the #LoveOurSeniors outing to IMM on 11 December 2023, CLCT, together with CLI employees, befriended over 50 seniors from Fei Yue Community Services. Stories and smiles were exchanged during the meal sponsored by Soup Restaurant Group and CHF. After the meal, the team of volunteers went grocery shopping and went to pick out essential items with the seniors at the supermarket.

Supporting Rural Schools, CapitaMall Yuhuating's Donation Initiative

In September 2023, employees, tenants, and vendors from CapitaMall Yuhuating came together to make a positive impact on the well-being of students in rural schools by donating essential educational resources. These included school bags, snacks, toys, sports equipment, books, and bedding, which were distributed among 180 children at two rural schools. As part of this initiative, a multimedia classroom was also donated, with the objective of empowering students with enhanced learning opportunities.



GOVERNANCE

Organisational Capital | Financial Capital

CORPORATE GOVERNANCE

CLCT embraces the tenets of sound corporate governance including accountability, transparency, and sustainability. We are committed to enhancing value for our stakeholders with the appropriate people, processes and structure to direct and manage CLCT's business and affairs, achieve operational excellence and deliver our long-term strategic objectives. For detailed disclosure on our Governance Framework, please refer to pages 110-145 of CLCT's Annual Report 2023.

Material Issues



**Risk
Management**



**Business
Ethics**



OBJECTIVES

- ▶ Maintain a robust governance structure to oversee the implementation of sustainability initiatives and ensure adherence to ethical practices



POLICIES

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



ACCOUNTABILITY

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



METHOD/ACTION PLAN

Employees

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

Supply Chain/ Partners

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



STAKEHOLDER ENGAGEMENT

- ▶ Engage our stakeholders regularly to ensure responsible operation in the area of anti-corruption
- ▶ Communicate sustainability performance, progress, and targets to our stakeholders regularly to enhance transparency and accountability



Dance competition showcase at CapitaMall Xuefu

GOVERNANCE

ORGANISATIONAL CAPITAL

2030 SMP TARGETS AND CLCT'S PERFORMANCE

CLI's 2030 Sustainability Master Plan reflects the Group's 2030 targets and pathways to steward responsible business conduct and governance.

Medium-term Targets	2030 Target ⁱ	2023 Performance
Corporate Governance	At least 85% of CLI employees to attend one compliance related training.	<ul style="list-style-type: none"> ● 98.1% of employees attended FBC awareness and Whistle-blowing training. ● 85.1% of employees attended Cybersecurity training.
	Ensure sustainability targets are integrated into CLI Performance Share Plan and Balanced Scorecard framework to determine executive remuneration and Business Units' KPIs.	<ul style="list-style-type: none"> ● Under the Balanced Scorecard framework, the CLCT Group's strategy and goals are translated to performance outcomes comprising both quantitative and qualitative targets in various dimensions including sustainability. For more information regarding remuneration, please refer to pages 127-132 of CLCT's Annual Report 2023.
Transparent Reporting	Ensure reporting is aligned to international standards such as TCFD and GRI with disciplined internal checks as well as external assurance of data by accredited bodies.	<ul style="list-style-type: none"> ● CLCT's Integrated Sustainability Report 2023 is prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021. Together with CLI, CLCT will continue to adopt a progressive approach in refining its climate-related disclosures based on the 11 recommendations from the Task Force on Climate-related Financial Disclosures (TCFD). For more information on international standards and guidelines, please refer to page 4. ○ CLI had engaged an independent external consultant to carry out assurance over the Group's performance data for FY 2023. CLCT's performance data is also scoped in as part of the Group's annual external assurance engagement.
Risk Reporting	Ensure processes to identify, assess, and manage sustainability risks and opportunities in the short-, medium-, and long-term are integrated into overall enterprise risk management processes.	<ul style="list-style-type: none"> ● Annual group-wide Risk and Control Self-Assessment (RCSA) exercise to identify key material risks, which include new and emerging risks, that CLCT Group faces in delivering our strategic objectives, our respective mitigating measures and any opportunities that we can leverage on. For more information on CLCT's RCSA exercise and risk management processes, please refer to the CLCT's Annual Report 2023 pages 104 to 109.
	Ensure sustainability risks and opportunities are managed in line with overall risk appetite and strategy	<ul style="list-style-type: none"> ● CLI's revised 2030 SMP was launched in May 2023 after a regular review to ensure that it remains relevant to CLI's and CLCT's business strategy and is aligned with climate science ● Performance of CLCT's Balanced Scorecard targets, which are benchmarked against CLI's SMP, is tracked and reported to CLCT Management and Board at least annually.

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

● Achieved/Exceeded Targets ○ In progress towards meeting 2030 targets

GOVERNANCE

ORGANISATIONAL CAPITAL

Short-term			
Targets (Annual)	2024 Target	2023 Performance	
Corporate Governance	Achieve zero lapses in corporate governance, corruption / employee misconduct	●	Zero lapses in corporate governance, corruption/ employee misconduct
Training	All licensed representatives for the Manager to fulfil the mandatory training obligations	●	All licensed representatives for the Manager fulfilled the mandatory training obligations

● Achieved/Exceeded Targets

BOARD INDEPENDENCE, DIVERSITY AND PERFORMANCE

Board Composition and Renewal

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

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

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

GOVERNANCE

ORGANISATIONAL CAPITAL

Board succession planning is carried out through the annual review by the NRC of the Board's composition as well as when a Director gives notice of his or her intention to retire or resign. The annual review takes into account, among other things, the requirements in the Listing Manual and the Code, feedback from individual Directors as well as the diversity targets and factors in the Board Diversity Policy. The outcome of that review is reported to the Board. The Board seeks to refresh its membership progressively and in an orderly manner, whilst ensuring continuity and sustainability of corporate performance. The Board also has in place guidelines on the tenure of Directors. The guidelines provide that an ID should serve for no more than a maximum of two three-year terms and any extension of tenure beyond six years will be rigorously considered by the NRC in arriving at a recommendation to the Board, and will be on a yearly basis up to a period of nine years (inclusive of the initial two three-year terms served).

The NRC identifies suitable candidates for appointment to the Board. Searches for possible candidates are conducted through contacts and recommendations. In this regard, the Manager may rely on external consultants from time to time to assist the NRC in identifying candidates, to ensure that a diverse slate of candidates is presented for the NRC's and the Board's consideration.

Candidates are identified based on the needs of CLCT, taking into account the strategic priorities of CLCT and the relevant skills required. The candidates will be assessed against a range of criteria including their demonstrated business sense and judgement, skills and expertise, and market and industry knowledge (and may include elements such as financial, sustainability or other specific competency, geographical representation and business background) with due consideration to diversity, including but not limited to diversity in business or professional experience, age and gender. The NRC also considers the qualities of the candidates, in particular whether they are aligned to the strategic directions and values of CLCT, while assessing the candidates' ability to commit time to the affairs of CLCT, taking into consideration their other current appointments or commitments. The NRC uses a board competency matrix as a guide in determining if there are gaps in the skills of the Board as a whole and if the skills, expertise and experience of a candidate would complement those of the existing Board members.

The NRC also assesses annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1 of the Code. Directors disclose their relationships with the Manager, its related corporations, its substantial shareholders, CLCT's substantial Unitholders or the Manager's officers, if any, which may affect their independence, to the Board. For further information on the Board's determination in this regard, please refer to "Board Independence" under Principle 2 in this Report.

Whilst the Board believes that it has an optimal blend of backgrounds, experience, knowledge in business and general management, and expertise relevant to help CLCT deliver on its strategic priorities, it believes in planning for orderly succession as well as contingencies and is continually looking out for opportunities to fill future gaps in competencies and to renew the Board in a progressive manner.

There is also no alternate director to any of the Directors. In keeping with the principle that a Director must be able to commit time to the affairs of the Manager, the Board has adopted the principle that it will generally not approve the appointment of alternate directors to the Directors.

For more details on the Board's profile and details on other positions and commitment they hold, please refer to page 34 to 39 of CLCT's Annual Report 2023.

Board Performance

The Manager believes that oversight from a strong and effective Board goes a long way towards guiding CLCT's success. Whilst Board performance is ultimately reflected in the long-term performance of the CLCT Group, the Board believes that engaging in a regular process of self-assessment and evaluation of Board performance provides an opportunity for the Board to reflect on its effectiveness including the quality of its decisions, and for Directors to consider their performance and contributions. It also enables the Board to identify key strengths and areas for improvement which are essential to effective stewardship and attaining success for CLCT, in addition to improving working relationships with Management.

GOVERNANCE

ORGANISATIONAL CAPITAL

The NRC recommends for the Board's approval the objective performance criteria, and the Board undertakes a process to evaluate the effectiveness of the Board as a whole and that of each of its Board Committees and individual Directors for every financial year. As part of the process, a questionnaire is sent to the Directors. The evaluation results are aggregated and reported to the NRC, and thereafter to the Board. The findings are considered by the Board and follow-up action is taken where necessary with a view to enhancing the effectiveness of the Board, Board Committees and individual Directors in the discharge of its and their duties and responsibilities. As and when required, external facilitators may be appointed to assist in the evaluation process of the Board, Board Committees and the individual Directors. For FY 2023, the evaluation process was conducted without involving any external facilitator.

Chairman and Chief Executive Officer

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

The Chairman leads and oversees the performance of the Board and plays a pivotal role in creating and facilitating the conditions needed for the overall effectiveness of the Board, Board Committees and individual Directors. This includes setting the agenda of Board meetings in collaboration with the CEO, ensuring that the agenda takes full account of the important issues faced by CLCT and there is sufficient information and time at meetings to address all agenda items, as well as promoting open and constructive engagement and dialogue among the Directors as well as between the Board and the CEO at meetings. The Chairman also guides the Board through its decision-making process and ensures that the Board operates effectively as a whole.

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

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

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

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

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

GOVERNANCE

ORGANISATIONAL CAPITAL

Conflict of Interest

Under the SFA, the Manager and Directors of the Manager are required to act in the best interest of CLCT and give priority to the interest of CLCT over the interests of the shareholders of the Manager, and this would further mitigate any potential conflicts of interest. Save for the Special PSP Award, the NRC will continue to assess and reward the key management personnel based on the performance of CLCT. Accordingly, the Manager is of the view that there would not be any conflicts of interest arising from the arrangement, nor would the arrangement result in any misalignment of interest with those of Unitholders. There was no new Special PSP Award in FY 2023. In respect of the Special PSP Award granted in FY 2021, the qualifying performance period has not ended as at the date of this Annual Report.

In FY 2023, no termination, retirement or post-employment benefits were granted to Directors, the CEO and other key management personnel. There was also no special retirement plan, 'golden parachute' or special severance package for any of the key management personnel.

In FY 2023, there were no employees of the Manager who were substantial shareholders of the Manager, substantial Unitholders of CLCT or immediate family members of a Director, the CEO, any substantial shareholder of the Manager or any substantial Unitholder of CLCT. "Immediate family member" refers to the spouse, child, adopted child, step-child, sibling or parent of the individual.

The Board has incorporated in the Board Code a standing policy that a Director must not allow himself or herself to get into a position where there is a conflict between his or her duty to CLCT and his or her own interests and, in this regard, a Director is required to disclose to the Board his or her interests in any transaction to which CLCT is a party, and any other conflicts (including potential conflicts) of interest. Where a Director has an interest in a transaction or a conflict (including potential conflict) of interest in a particular matter, he or she will be required to disclose his or her interest to the Board, recuse himself or herself from deliberations on the transaction or matter and abstain from voting on the transaction or matter. During FY 2023, every Director has complied with this policy, and where relevant, such compliance has been duly recorded in the minutes of meetings or, as the case may be, written resolutions.

Meetings of Board and Board Committees

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

The non-executive Directors (which for the avoidance of doubt, exclude the CEO as he is an executive Director and part of Management), led by the independent Chairman or other independent Director as appropriate, also meet regularly about two times in a year without the presence of Management. In FY 2023, the non-executive Directors, led by the independent Chairman, met twice for discussions without the presence of Management. The chairman of these meetings was the independent Chairman and he provided feedback to all members of the Board and/or Management as appropriate.

GOVERNANCE

ORGANISATIONAL CAPITAL

At the scheduled Board meetings, the Board is apprised of the following:

- (a) significant matters discussed at the ARC meeting which is typically scheduled before each Board meeting;
- (b) the ARC's recommendation on CLCT's periodic and year-end financial results following the ARC's review of the same;
- (c) decisions made by Board Committees in the period under review;
- (d) updates on the CLCT Group's business and operations in the period under review, including market developments and trends, as well as business initiatives and opportunities;
- (e) financial performance, budgetary and capital management related matters in the period under review, including any material variance between any projections in budget or business plans and the actual results from business activities and operations;
- (f) any risk management issues that materially impact CLCT's operations or financial performance;
- (g) updates on key Unitholder engagements in the period under review, as well as analyst views and market feedback; and
- (h) prospective transactions which Management is exploring.

This allows the Board to develop a good understanding of the progress of the CLCT Group's business as well as the issues and challenges faced by CLCT, and also promotes active engagement with Management.

Fraud, Bribery and Corruption (FBC) Risk Management Framework

CLCT adopts a zero-tolerance stance against any Fraud, Bribery and Corruption³⁰ (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 Risk Management Strategy

The Board, with the support of the Audit committee, Risk Committee and Senior Management, is responsible for the oversight and governance of FBC Risk Management.

Prevention

- ▶ Process-Specific Controls
- ▶ Risk Assessment
- ▶ Knowing & Managing Third Parties
- ▶ Managing Conflicts of Interest
- ▶ Hiring

Detection & Monitoring

- ▶ Detection of Irregularities
- ▶ Monitoring of Fraud Risk Profile
- ▶ Independent Review & Audit
- ▶ Report Fraud Incident

Response

- ▶ Investigation
- ▶ Insurance & Recovery
- ▶ Protocol to Observe when Contacted by Authorities
- ▶ Disclosure to Authorities & Media
- ▶ Disciplinary Actions
- ▶ Review of Controls

Risk-Aware Culture

A risk-aware culture, underpinned by the Group's organisational culture, values and practices, sets the foundation for effective management of FBC risks.

30 (a) Fraud is the use of deception with the intention of obtaining an advantage, or avoiding an obligation or causing loss to another party. Fraud can be perpetrated by employees, third parties or a collusion between employees and third parties.

(b) Bribery and Corruption is the offering, promising, giving, accepting or soliciting of an undue advantage of any value (which could be financial or non-financial), directly or indirectly, and irrespective of location, in violation of applicable law. These are usually made as an inducement or reward for a person acting or refraining from acting in relation to the performance of that person's duties.

GOVERNANCE

ORGANISATIONAL CAPITAL

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

- ▶ Offering a fair compensation package to employees, 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 employees.
- ▶ 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, and educating its employees on business conduct and ethical values.

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

- ▶ Abiding by CLI's Ethics and Code of Business Conduct Policies which deal with matters such as confidentiality, conduct and work discipline, corporate gifts and concessionary offers. Clear policies and guidelines on how to handle workplace harassment and grievances are also in place. Donations are not to be made to any political causes through CLI and/or the Group's philanthropic arm, CapitaLand Hope Foundation (CHF).
- ▶ Abiding by the Anti-Money Laundering and Countering the Financing of Terrorism Policy;
- ▶ 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;
- ▶ Not manipulating business relationships for personal gains or interests.

CLI's zero-tolerance policy on FBC extends to our business dealings with third parties (including contractors, subcontractors, consultants, agents, representatives and others performing work or services for or on behalf of CLI). Pursuant to this policy, it requires that certain agreements of the Company incorporate anti-corruption provisions.

	Employees	Supply Chain / Partners
Communication/ Signing of Code of Conduct	<ul style="list-style-type: none"> ▶ FBC Risk Management Policy ▶ Annual declaration through the "CLI 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 ▶ CLI 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, including grievance handling, are in place to provide CLCT's employees and external parties who have dealings with the Company, with a well-defined, accessible and trusted channel to report grievances, suspected FBC, dishonest practices or other improprieties in the workplace. It also allows for the independent investigation of any reported incidents and determination of appropriate actions for follow up. The objective of the whistle-blowing policy is to encourage the reporting of such matters - that employees or external parties making any report in good faith will be able to do so with confidence, that they will be treated fairly, and to the furthest extent possible, be protected from reprisal if any.

GOVERNANCE

ORGANISATIONAL CAPITAL

Substantiated cases are reported quarterly to the CLI Audit Committee and shared with the risk champions regularly. Actions taken can include the termination of employees' contract, and/or reporting to the appropriate external authorities. In FY 2023, there were no substantiated cases of FBC, significant instances of non-compliance with laws and regulations and cases involving anti-competition or money laundering behaviour within CLCT. More details of CLCT's FBC practices can be found on page 142 of CLCT's Annual Report 2023.

ANTI-MONEY LAUNDERING AND COUNTERING THE FINANCING OF TERRORISM MEASURES

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

- (a) evaluation of risk;
- (b) customer due diligence;
- (c) suspicious transaction reporting;
- (d) record keeping;
- (e) employee and CMSL Representative screening; and
- (f) training.

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

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

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

OTHER ETHICAL MANAGEMENT ISSUES

As a CLI-listed REIT, CLCT is committed to best practices and complies with the relevant legislations and requirements. Marketing activities relating to shopping malls and office spaces, such as advertisements and promotions (A&P), are generally guided by external A&P consultants, and are in compliance with local marketing requirements as stipulated by CLI.

TRAINING

CLI implemented initiatives to ensure that all employees understand CLI's core values and principles that shape the way the company works and functions. This is a compulsory component in the onboarding training for new employees as part of the CLI Immersion Programme (CIP), an employee orientation from various countries. For existing employees, there are dedicated training courses in Singapore where specific examples and applications of CLI core values in the workplace are shared. This training component is also offered in China for CLCT employees who are based there.

In 2023:

- ▶ 98.1% of CLCT employees attended training pertaining to Fraud, Bribery & Corruption and Whistle Blowing
- ▶ 85.1% of CLCT employees attended Cybersecurity training to acquire and refresh their knowledge on how to detect potential cyber breaches, especially with the increased reliance on digital services.

GOVERNANCE

ORGANISATIONAL CAPITAL

ENTERPRISE RISK MANAGEMENT (ERM)

Risk management is an integral part of CLCT's business at both the strategic and operational levels. Its objective is not risk minimisation, but rather the optimisation of opportunities within the known and agreed risk appetite levels set by the Board. Adopting CapitalLand's ERM Framework enables CLCT to identify, manage, monitor and report material risks in an integrated, systematic and consistent manner.

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

CLCT Group ERM Framework operates within a risk governance structure based on three lines of defense.

First Line

Employees have an important role as the first line of defence and are accountable for the effective identification and management of risks that arise from their business activities.

Second Line

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

Third Line

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

A Strong Culture of Risk Awareness

The fostering of a strong risk culture helps ensure risk management practices are implemented effectively and consistently across CLCT Group.

The Manager works closely with the risk management and compliance departments at CLI as well as various specialist support functions, to ensure risk awareness and accountability are ingrained in our culture.

In addition, risk workshops are conducted regularly by the second line of defence departments, to enhance the risk management knowledge of our employees and ensure risk management principles are embedded in all decision-making and business processes.

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

GOVERNANCE

FINANCIAL CAPITAL

A Group-wide Risk and Control Self-Assessment (RCSA) exercise is conducted annually to identify key material risks, which include new and emerging risks, that CLCT Group faces in delivering our strategic objectives, our respective mitigating measures and any opportunities that we can leverage on. For more details regarding Risk Management, please refer to the CLCT Annual Report 2023 page 104 to 109.

FINANCIAL PERFORMANCE

In FY 2023, CLCT reported a gross revenue increase of 3.3% year-on-year (YoY) to RMB1,912.5 million, while net property income (NPI) rose 5.3% to RMB1,293.7 million. This growth was driven by the improved performance of CLCT's retail portfolio, despite lower contributions from our new economy assets. In Singapore Dollar (SGD) terms, CLCT's financials were impacted by foreign currency translation arising from the strength of the SGD against the Renminbi (RMB) as well as the rising interest rate environment. This translated into FY 2023 NPI of S\$246.7 million and distributable income of S\$113.9 million. Distribution per Unit for this financial year stood at 6.74 Singapore cents.

Our disciplined approach to capital management enables us to maintain a healthy financial position and stable cost of debt among China focused S-REITs. During the year, we pioneered a landmark initiative as the first S-REIT to launch FTZ offshore bonds. Due in 2026, the RMB600 million bonds have a three-year tenor, offering a coupon rate of 3.8% per annum. This allowed us to achieve approximately 100 basis points (bps) in interest savings through early refinancing of our existing SGD-denominated offshore debt. The bonds broadened our funding sources, while optimising our capital structure to fuel long-term growth. In 2023, we expanded our RMB-denominated facilities to 20%, an improvement from 13% as at 31 December 2022. Having refinanced our 2023 loans ahead of schedule, we have also secured the refinancing for borrowings due in 2024 well in advance of their maturity dates. As part of risk management, we will continue to look at ways to optimise our onshore and offshore debt mix to increase our natural hedge while strengthening overall financial position.

At the close of 2023, around 82%³¹ of our total term loans were on fixed rates, providing certainty on interest expenses. Interest coverage ratio of 3.3 times³² remained well above the regulatory requirement of 2.5 times³³ while gearing came in at 41.5%³⁴. Should the net proceeds from the divestment of CapitaMall Shuangjing be used to pare down debt, CLCT's gearing would have improved to approximately 40% as at 31 December 2023. In addition, we maintained a well-staggered debt maturity profile and our average term to maturity stood at 3.5 years. As testament to CLCT's increasing green focus, we significantly raised the proportion of our Sustainability-Linked Loans from 13% of our total debt in FY 2022 to 31% this financial year.

31 Excludes Money Market Lines and onshore RMB loans. The fixed to floating ratio rose from 71% to 82%, reflecting the impact of the FTZ Bonds and Cross Currency Interest Rate Swap (CCIRS) on the total debt composition.

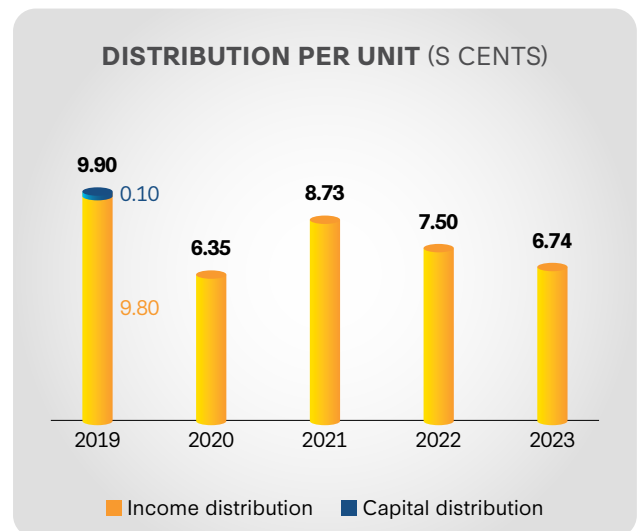
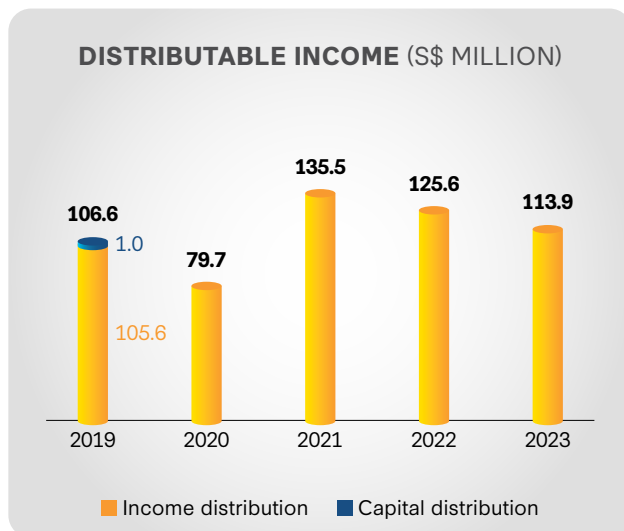
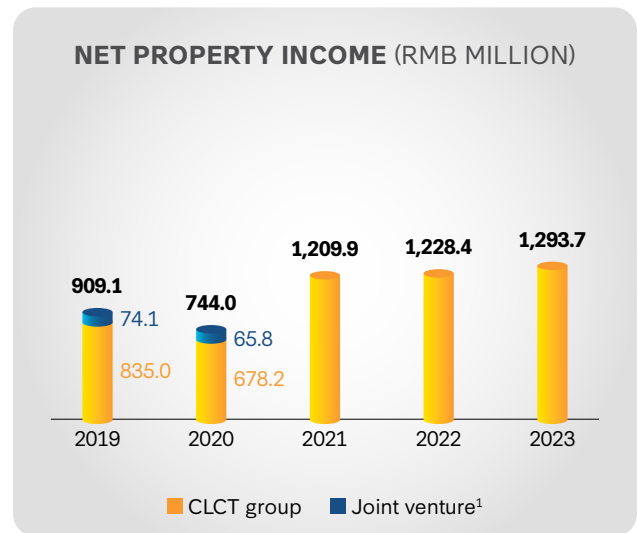
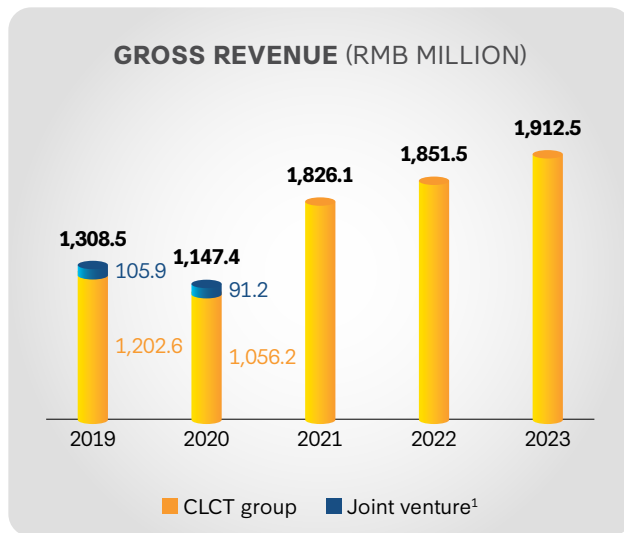
32 Ratio is calculated by dividing the trailing 12 months EBITDA over the trailing 12 months interest expense (exclude finance lease interest expenses under FRS 116) in accordance with MAS guidelines.

33 With effect from 1 January 2022, S-REITs are required to have a minimum ICR of 2.5 times before they are allowed to increase their leverage to beyond the prevailing 45% limit (up to 50%).

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

GOVERNANCE

FINANCIAL CAPITAL



APPENDIX

TCFD RECOMMENDATIONS

Introduction

CLI started to align its climate-related disclosures with the Task Force on Climate-related Financial Disclosures (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 are striving to continuously enhance the reporting against the TCFD recommendations.

Disclaimer

The purpose of this section is to provide climate-related disclosures which contain information related to climate risks and opportunities, consistent with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. The information and opinions contained in this section are provided as of the date they are made and subject to change.

This section contains forward-looking statements and statements of opinion. All statements, other than statements of historical fact, including without limitation, statements regarding the plans, strategies and objectives of management in relation to climate and CLCT's future performance, are forward-looking statements. Forward-looking statements are predictive in character and involve subjective judgement, assumptions and analysis, and can be subject to potentially significant risks, uncertainties and other factors, many of which are outside the control of, and are unknown to, CLCT. Other unpredictable or unknown factors not discussed in this section could also have material adverse effects on forward-looking statements. CLCT does not undertake any obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events. Users of this section are cautioned not to place undue reliance on such statements, particularly in light of the long-term horizon which this section discusses and the inherent uncertainty in possible policy, market and technological developments in the future. CLCT will continue to publish relevant climate-related disclosures in its future Sustainability Reports and users of this section are advised to check its website for and refer to the latest published report.

While CLCT has prepared the statements in good faith, there are also limitations with respect to climate scenario analysis which was derived from a third-party platform. The degree of potential risk identified in this platform does not consider mitigation or adaptation strategies that may be in place or are being implemented at the portfolio company or specific asset. It also does not consider planned mitigation or adaptation strategies at the country level. The climate scenario analysis in this section was reviewed with and augmented by another third-party consultant. Scenario analysis is not an indication of probable outcomes and relies on assumptions that may or may not prove to be correct or eventuate. Scenario analysis is a process for identifying and assessing the potential implications of a range of plausible future states under conditions of uncertainty. Scenarios are hypothetical constructs and not designed to deliver precise outcomes or forecasts. Additionally, scenarios are not warranted or guaranteed to be free from technical inaccuracies or omissions. Instead, scenario analysis provides a way for organisations to consider how the future might look if certain trends continue or certain conditions are met. In the case of climate change, for example, scenarios allow an organisation to explore and develop an understanding of how various combinations of climate-related risks, both transition and physical risks, may affect its businesses, strategies, and financial performance over time³⁵.

While every effort was made to provide accurate and complete information, CLCT does not represent or warrant that the information in this Section is free from errors or omissions, or is complete. This section is not intended to be and should not be relied upon as advice to investors or potential investors. In particular, no representation or warranty is given as to the accuracy, likelihood of achievement or reasonableness of any forward-looking statements contained in this Statement or the assumptions on which they are based. Climate scenarios may change and third-party platform outputs may improve over time. Such material is, by its nature, subject to significant uncertainties and contingencies outside of CLCT's control. Actual results, circumstances and developments may differ materially from those expressed or implied in this report.

APPENDIX

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 objectives. As part of the material risk issues being highlighted, climate change has been identified as important. The Board is kept up to date on climate change risks as part of its Enterprise Risk Management (ERM) Framework.

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

At REIT level, CLCT works closely with CLI China's EHS Committee. This EHS committee drives initiatives related to climate-related risks and opportunities, as well as the broader environmental issues. 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 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.

CLI groupwide sustainability management comes under the purview of a CLI Board Committee, the Strategy and Sustainability Committee (SSC). The CLI Strategy and Sustainability Committee, chaired by Lead Independent Director, is responsible for overseeing sustainability strategies and goals including providing guidance to management and monitoring progress against achieving the goals of any sustainability initiatives in 2023. It is supported by the Group Sustainability Office and various work teams to drive continued progress and improvement in the areas of ESG. The work teams comprise representatives from CLI business units and corporate functions. The SSC, as well as the Group CEO and the Senior Leadership Council have oversight and are responsible for climate-related issues. They had also approved the CLI 2030 Sustainability Master Plan (SMP). The CLI Board is updated at least once a year, at ad hoc Board meetings covering relevant climate-related topics including the CLI 2030 SMP and discussions on the green capital expenditure plan required to meet the SMP targets (which already includes decarbonisation targets). Performance against SMP targets and Balanced Scorecard targets, including decarbonisation targets, is tracked and reported to CLI Management and Board at least annually. This governance is cascaded from the Group level to CLCT level through the operations of CLCT's EHS Committee. CLCT conducts Sustainability Working Committee (SWC) meetings on a monthly basis and Sustainability Management Committee (SMC) meetings on a semi-annual basis. The Manager of CLCT reports to the Board on a semi-annual basis as well.

When it comes to building expertise and capacity on climate-related issues for the Board and senior management, on CLI level, the Board is continuously upskilling with respect to sustainability and climate-related issues. All Board members have undergone the SGX recognised sustainability training, and all new and existing CLI Board members are regularly briefed on sustainability management at CLI, climate-related matters, including choice of climate scenarios and the decarbonisation journey, as well as the CLI 2030 SMP.

With respect to the decarbonisation initiatives and targets, at CLI and CLCT levels, there are various mechanisms applied to gaining feedback on these initiatives from our various stakeholders. These include but are not limited to: annual general meetings, half yearly financial results announcements, media releases and interviews, annual reports and sustainability reports, the company website, regular analyst and investor meetings (such as the 2023 sustainability non deal roadshow), participation in relevant focus groups/panel discussions, including regulator and responses to sustainability surveys.

For more details on CLCT's sustainability management structure, please refer to pages 13 to 15 of this Report.

APPENDIX

TCFD RECOMMENDATIONS

Strategy

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

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

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

- ▶ All new investments into operational assets and development projects undergo the EHS Impact Assessment (EHSIA) during due diligence to identify any environmental (including climate change) risks and opportunities related to the asset/project site and its surroundings. The assessment covers performance metrics such as energy efficiency, as well as transition and physical risks and opportunities considerations. Significant findings from the assessment would be incorporated in the investment paper submitted to CLCT's Board for approval.
- ▶ Through the implementation of the CLI Sustainable Building Guidelines (SBG), the aim is to identify and address the risks and opportunities of climate change right from the design stage. The local context of each project will be studied in detail, and appropriate measures will be taken into consideration with regards to adaptation of climate change. SBG also sets guidelines for buildings to be more energy efficient, e.g. setting green rating targets, specifying minimum equipment efficiency, and requiring the use of onsite renewable energy whenever possible.
- ▶ At the operational asset level, the CLI Environmental, 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 engagements. Operational issues pertaining to climate change, energy and water are also identified and managed through the EHSMS to strengthen the climate resilience of the Trust's portfolio.
- ▶ The CLI 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.
- ▶ CLI's decarbonisation planned activities are also integrated throughout all stages of a project via CLI's SBGs, from feasibility, design, procurement, construction, operations to redevelopment. CLI supports low-carbon investments and factors climate-related costs and opportunities into its evaluation of new investments or capital expenditure (CAPEX) through the incorporation of CLI internal carbon price implemented since 2021.
- ▶ As part of CLCT's value chain engagement and low carbon initiatives, CLCT strives to obtain LEED certifications for the assets in its portfolio. As of end 2023, 36% of CLCT's portfolio is LEED Gold certified (by gross floor area and excluding carpark space). CLCT also implemented green leasing for CLCT properties that are managed by CLI.

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




APPENDIX

TCFD RECOMMENDATIONS

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

Scenario analysis on future climate-related risks and opportunities

The climate scenario analysis for CLI’s global portfolio (including CLCT) considered the parameters listed below:

Physical risk scenarios	 NGFSⁱ 1.5°C Orderly, 2100	 NGFS 2°C Orderly, 2100	 NGFS 3°C Hot House World (NDCⁱⁱ), 2100 Most severe physical risk impacts & costs at 3°C and in the longer term
Transition risk scenarios	CRREMⁱⁱⁱ 1.5°C, 2050 Most severe transition risk impacts & costs at 1.5°C and in the shorter term	NGFS 2°C Orderly, 2100*	NGFS 3°C SSP2^{iv} Hot House World, 2100
Geographical coverage	All assets		
<p>* The CRREM^{iv} 2°C, 2050 transition risk scenario was chosen in the beginning of this climate scenario analysis. However, the platform updated its models and this option was removed during CLI’s analysis. The NGFS 2°C, 2100 Orderly scenario was then identified to replace the removed CRREM 2°C, 2050 scenario</p> <p>i The Network of Central Banks and Supervisors for Greening the Financial System (NGFS)</p> <p>ii Nationally Determined Contributions (NDC)</p> <p>iii Carbon Risk Real Estate Monitor (CRREM)</p> <p>iv Shared Socioeconomic Pathways (SSP)</p>			

The following heatmap on physical risk reflects the quantitative approach based on assessment performed by a third-party platform. The heatmap on transition risks includes the quantitative approach based on assessment performed by a third-party platform, augmented by additional qualitative research undertaken by an external consultant.

The quantitative analysis represents analysis with respect to the asset values of CLI’s assets worldwide and their respective exposure to climate related risk change. It is important to note that the risk level is based on the change of the risk in future scenarios – it is assumed that there is currently a certain level of risk exposure for each of the climate-related risks and the risk level reflects the magnitude of change. The colour-coded heatmap was derived based on thresholds of financial exposure, which have been grouped into the five major categories presented in the legend. The risk levels are relative to baseline exposure. These are the specific exposures for CLCT’s portfolio.

APPENDIX

TCFD RECOMMENDATIONS

Risk Type	Primary Risk Driver	Potential Impacts	CLCT's Risk Level in 3 Scenarios			Mitigation Measures
			1.5°C (NGFS, 2100)	2°C (NGFS, 2100)	3°C (NGFS, 2100)	
Physical Risk						
Extreme cold	Cold days and extreme cold could become more common and/or severe	- Increase in heating demand leading to higher utility costs and potentially higher Scope 1, if fuel oil or natural gas boilers are used				<ul style="list-style-type: none"> Ongoing maintenance to ensure that air heating systems and generators are in good working order and appropriate for both the local and changing climate conditions. Future retrofits and designs to consider welfare of employees, tenants, visitors, and customers in such environments.
Extreme heat	Hot days and extreme heat could become more common and/or severe	- Increase in cooling demand leading to higher electricity costs				<ul style="list-style-type: none"> Ongoing maintenance to ensure that air cooling systems and generators are in good working order and appropriate for both the local and changing climate conditions. Implement health and safety initiatives to protect people from extreme heat risk, including work restrictions during peak temperature hours, as required.
Fluvial flooding	Damage to assets located in high flood risk zones	<ul style="list-style-type: none"> Increase in assets exposed to growing severity of river floods Increase in operating costs (e.g. repair costs, business interruption) 				<ul style="list-style-type: none"> Develop flood control features / measures including flood gates and drainage infrastructure where appropriate. Platform level to be checked against flood maps for new design or redevelopment. Ensure flood emergency response plans are implemented.
Coastal flooding	Properties in coastal areas may be exposed to steady and continuous sea level rise	<ul style="list-style-type: none"> Increase in assets exposed to coastal flooding Increase in capital expenditures to construct flood control infrastructure 				<ul style="list-style-type: none"> Monitor national-level initiatives to mitigate coastal flooding risk. Develop flood control features / measures where appropriate. Ensure flood emergency response plans are implemented. <p>(Note: The risk delta from 1.5°C to 3°C scenarios for the significant risk level is close to 0.02%)</p>

APPENDIX

TCFD RECOMMENDATIONS

Risk Type	Primary Risk Driver	Potential Impacts	CLCT's Risk Level in 3 Scenarios			Mitigation Measures
			1.5°C (NGFS, 2100)	2°C (NGFS, 2100)	3°C (NGFS, 2100)	
Physical Risk						
Tropical Cyclones	Properties may face more frequent and severe tropical cyclone	<ul style="list-style-type: none"> - Higher chance of damage to specific asset locations that are tropical cyclone-prone - Increase in operating costs (e.g. business interruption) 				<ul style="list-style-type: none"> • Check and ensure structures are sufficient to withstand increased windspeed. • Improvements to roofs and site drainage systems including reinforcement / improvement where appropriate. • Increased operational management, including regular inspections of back-up generation facilities. • Ensure business continuity plans and emergency response plans for severe storms are implemented, including plans for power supply cuts or system failures.
Wildfires	Risk of wildfires could increase in extremely dry conditions, such as drought, and during high winds	<ul style="list-style-type: none"> - Increase in assets exposed to wildfires - Increase in operating costs (e.g. business interruption) 				<ul style="list-style-type: none"> • Design and monitor landscaping to prevent vegetation encroachment to structures. • Inclusion of fire breaks (e.g., service roads) between outside vegetation and structures. • Distribution of escape plans to employees/ occupants. • Ensure business continuity plans and emergency response plans for wildfires are implemented (distribution of escape plans to employees and occupants).

● None
 ● Negligible
 ● Moderate
 ● Significant
 ● Severe

APPENDIX

TCFD RECOMMENDATIONS

Risk Type	Primary Risk Driver	Potential Impacts	CLCT's Risk Level in 3 Scenarios			Mitigation Measures
			1.5°C (CRREM, 2050)	2°C (NGFS, 2100)	3°C (NGFS, 2100)	
Transition Risk						
Carbon Price Shifts	Carbon emissions priced through taxation or emissions trading schemes	- Increase in operational costs associated with carbon pricing	Significant	Significant	Significant	<ul style="list-style-type: none"> At Group level, CLI implemented an internal carbon price to inform decision making for long term decisions before policies are implemented. At Group level, CLI has a decarbonisation plan/strategy in place to ensure the adoption of strategies to minimize emissions and reduce CLI's exposure to carbon price shifts.

● None
 ● Negligible
 ● Moderate
 ● Significant
 ● Severe

From the risk assessment performed by a third-party platform, CLI further explored additional transition risks and opportunities in a qualitative manner as a start. Some of these risks are also seen as 'indirect' climate-related risks to CLI and its operations so evaluating them and keeping them in view is of importance to CLI's climate transition journey. The perceived risk level is based on the market trends, current developments and CLI's experience and expertise in the real estate market. The perceived risk level is seen through three scenarios - a 3°C scenario which is assumed to be a 'business-as-usual' scenario where there is not sufficient action taken by economies and businesses to transition to a lower carbon economy and a 1.5°C and 2°C scenarios, where there are differing levels of potential action taken to tackle some of the risks of transitioning to a lower carbon economy. On the opportunity side, these were only reviewed as potential actions which CLI and CLCT can reference to inform our strategy and they have not been evaluated using the risk level heatmapping criteria or reviewed by scenario (these opportunities would be relevant in all scenarios). The following risks and opportunities are explored on a global portfolio level. The legend for risk levels for the following risks and opportunities is built upon the same financial exposure thresholds as the risk assessment performed by a third-party platform, but based on both qualitative as well and quantitative criteria that correspond to each risk level. CLI will continue to monitor these short term and medium term risks.

APPENDIX

TCFD RECOMMENDATIONS

Risk Type	Primary Risk Driver	Potential Impacts	CLCT's Risk Level in 3 Scenarios (2030)			Mitigation Measures
			1.5°C	2°C	3°C	
Transition Risk						
Regulator expectation changes	Regulators with more stringent policies and regulations around climate change for the buildings / real estate sector	- More comprehensive disclosures expected on climate change actions and metrics				<ul style="list-style-type: none"> • CLI's group level carbon emissions targets are validated by the Science Based Targets Initiative (SBTi) • At Group level, CLI's carbon emissions has been externally audited since FY 2010. • CLCT's climate-related disclosures are aligned to international standards, and CLI makes on-going efforts to follow the latest developments around climate and emissions reporting standards. CLCT will encompass such developments into its disclosure, to stay aligned with best practice disclosure standards on climate risk (e.g. exploring ISSB reporting recommendations and incorporating them into its disclosure).
Customer expectation changes	Consumer preferences could shift towards greener buildings	- Increased number of tenants seeking for assets with high-performing green credentials				<ul style="list-style-type: none"> • CLCT does a continuous assessment of the green building certification for its properties and will implement necessary asset enhancements to align with relevant/latest certification levels. • At Group level CLI has green building certification and green lease target for its portfolio as part of the CLI 2030 SMP. CLI will extend green lease options in more markets to CLI tenants, with green building requirements and expectations.

APPENDIX

TCFD RECOMMENDATIONS

Risk Type	Primary Risk Driver	Potential Impacts	CLCT's Risk Level in 3 Scenarios (2030)			Mitigation Measures
			1.5°C	2°C	3°C	
Transition Risk						
Electricity price shifts	Growing adoption of renewable energy could drive changes in electricity costs	<ul style="list-style-type: none"> - Increase in capital investment in renewable energy - Fluctuations in operating costs from electricity price variability 				<ul style="list-style-type: none"> • At Group level, CLI has a renewable energy target, and a carbon emissions target which is validated by Science Based Targets Initiative (SBTi), for its portfolio. • CLI has embarked on group procurement of green power purchase agreements for key markets. • At Group level, CLI continues to implement energy efficiency improvement initiatives at its properties, where feasible.

● None
 ● Negligible
 ● Moderate
 ● Significant
 ● Severe

Opportunity	Primary Driver	Potential impacts	Approach
Use of new technologies including Proptech (property technology) to manage emissions	Investment in technologies for improving energy and water	Reduced exposure to regulations, carbon price, electricity price and water price increases Reduction in operating costs	At Group level, CLI continues to pilot new technologies in existing buildings and deploy sustainability innovations in its global portfolio via the CapitalLand Innovation Fund.
Increased demand for green products and services	Shift in consumer preferences and development of low emissions goods and services	Increase in revenue by tapping on the green rental premium created by increased demand for sustainable buildings Increase in asset value for low carbon buildings	Ongoing discussions with tenants to identify opportunities to support their carbon reduction commitments. Continuous assessment of the green building certification for CLCT's properties and adopting the necessary asset enhancements to align with the relevant/latest certification levels.

APPENDIX

TCFD RECOMMENDATIONS

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

Risk Management

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

CLCT's risk management process to address its key risks and uncertainties, including climate change, is discussed further in Annual Report, Risk Management section on page 106.

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

- Regulatory or compliance risk, prompted by certain regulations in the countries of operation. These include but are not limited to the Environmental Risk Management Guidelines introduced by the Monetary Authority of Singapore (MAS) in 2020 requiring financial institutions and asset managers to place greater emphasis on both physical and transition environmental risks; and the Singapore Exchange mandate introduced in December 2021 that all issuers must provide climate reporting that is aligned to the recommendations of the TCFD in their sustainability reports from the financial year commencing 2024 for the materials and buildings industry. For now, this requirement is on a 'comply or explain' basis for CLI and CLCT. In 2023, ACRA and SGX also launched public consultation on the recommendations by the Sustainability Reporting Advisory Committee (SRAC). The recommendations aim to further advance climate reporting in Singapore. These recommendations resulted in the mandatory climate reporting details for listed and large non-listed companies being confirmed by the ACRA and the SGX Reg Co on 28 February 2024. These include:
 - o From FY 2025, all listed issuers will be required to report and file annual climate-related disclosures (CRD), using requirements aligned with the International Sustainability Standards Board (ISSB) standards.
 - o From FY 2027, large non-listed companies (defined as those with annual revenue of at least S\$1 billion and total assets of at least S\$500 million) will be required to do the same.
 - o Scope 3 climate-related disclosures will become mandatory for listed issuers in FY2026 and no earlier than FY 2029 for large non-listed companies.
 - o External limited assurance on Scope 1 and 2 GHG emissions will become mandatory for listed issuers in FY 2027 and FY 2029 for large non-listed companies.
- Market risks, including shifts in carbon and electricity prices, or customer expectations. These developments are prompted by various country-specific or global platforms, including COP28 in November and December 2023, where the key takeaway was that progress on climate action was too slow across all areas such as reduction of greenhouse gas emissions and strengthening resilience to changing climate. The main decision was to accelerate action across all areas by 2030, including to speed up the transition away from fossil fuels to renewables such as wind and solar power in their next round of climate commitments. 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.

APPENDIX

TCFD RECOMMENDATIONS

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

An EHSIA is carried out during the feasibility study of CLI and CLCT's investment in all new operational assets as part of its due diligence. The assessment includes transition and physical risk and opportunity considerations, as well as the application of an internal carbon price. This assessment would guide CLCT to consider EHS risks and opportunities upfront and identify mitigation measures earlier. The significant findings of the EHSIA and their cost implications are incorporated in the investment paper submitted to CLI and CLCT's Board for approval, to provide a more holistic perspective of the investment and ensure necessary CAPEX has been set aside for the investment to meet CLI 2030 SMP targets. Through CLI's ERM Framework and the EHSIA, certain physical risks are prioritised e.g. floods are highlighted in the due diligence reports and plans to integrate climate change resilience and adaptation considerations into the design, development and management of its properties. To further strengthen climate resilience to flood risk, CLCT, through CLI regularly engages its operation teams to ensure flood emergency response plans are implemented across its portfolio.

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 CLI's annual Global Sustainability Report. Since 2010, CapitaLand has been disclosing Scope 1, 2 and 3 GHG emissions of its global portfolio and the data has been externally assured.

Furthermore, in 2022, the Group had their carbon emissions reduction targets approved by the Science Based Targets initiative (SBTi) for a 1.5°C scenario. This target is in line with the goals of the Paris Agreement to keep global temperature rise to 1.5°C in this century. CLI has also committed to Net Zero by 2050 for its Scope 1 and 2 emissions, which includes CLCT's assets. Please refer to CLI Global Sustainability Report 2023 for more information.

The Scope 1 and 2 emissions for FY 2023, including the carbon intensity has been presented on pages 24, 29 and 32.

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. A focus area at CLI Group level is tracking and disclosure of material Scope 3 categories in the next few years, especially supply chain emissions. Furthermore, CLI is also reviewing a carbon offsets strategy at Group level. The planned use of offsets would be aligned to the current SBTi requirements, i.e. offsets will only be used in the last-mile for emissions reductions beyond CLI's science-based reduction targets and decarbonisation strategies (i.e. residual emissions) to reach net zero; and will be sourced from high quality reputable carbon credit projects that undergo the necessary verification and certification processes, aligned to international standards. In this regard, CLI is aiming to ensure the credibility and integrity of the offsets that it plans to procure.

Aligned with CLI, CLCT has set sustainability and climate-related performance metrics and targets that are linked to the remuneration policies for members of senior management, such as the Balance Scorecard (BSC) framework for FY 2023 which had included both quantitative and qualitative targets relating to climate change. At CLCT level, green certification and energy efficiency (EEI) targets are also incorporated in the BSC framework. CLI has implemented a shadow internal carbon price since 2021 to quantify climate-related risks and opportunities for its new investments.

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

APPENDIX

KEY ESG DATA SUMMARY

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

Environmental Data

Metric	Unit	2019	2021	2022	2023
Greenhouse Gas Emissions					
Scope 1	tonnes CO ₂ e	978	1,997	2,557	2,296
Scope 2	tonnes CO ₂ e	30,261	38,700	39,143	38,222
Scope 3ⁱ: comprising of the following:	tonnes CO ₂ e	52,682	86,500	91,404	98,035
Corporate air travel ⁱⁱ	tonnes CO ₂ e	-	-	5	28
Tenants' energy consumption	tonnes CO ₂ e	52,682	86,500	87,328	94,763
Properties managed by third-party	tonnes CO ₂ e	-	-	4,071	3,245
Total Carbon Emission (Scope 1 and 2)	tonnes CO ₂ e	31,239	40,698	41,700	40,519
Emission intensity, Scope 1 and Scope 2 (Annual)	kgCO ₂ e/m ²	53.0	30.5	29.3	30.2
Emission intensity, Scope 1 and Scope 2 (Monthly)	kgCO ₂ e/m ² /month	4.42	2.54	2.44	2.52 ⁱⁱⁱ
Energy Consumption					
Total energy consumption	MWh	60,853	85,176	88,029	88,584
	GJ	219,071	306,634	316,904	318,901
Direct fuel combustion ^{iv}	MWh	5,315	10,850	13,899	12,549
	GJ	19,134	39,060	50,036	45,176
Purchased energy	MWh	55,538	74,326	74,130	76,035
	GJ	199,937	267,574	266,868	273,726
Electricity	MWh	45,264	57,794	57,609	59,264
	GJ	162,950	208,058	207,392	213,350
Heating	MWh	10,274	16,532	16,521	16,771
	GJ	36,986	59,515	59,476	60,376
Renewable energy - electricity	% of total electricity	-	-	-	3.0
Energy consumption intensity (Annual)	kWh/m ²	103.3	65.6	61.8	66.1
Energy consumption intensity (Monthly)	kWh/m ² /month	8.61	5.47	5.15	5.51 ^v
Water Consumption					
Total water consumption ^{vi}	m ³	507,493	866,520	711,010	695,401
	ML	507.5	866.5	711.0	695.4
Water consumption intensity (Annual)	m ³ /m ²	0.86	0.70	0.50	0.52
Water consumption intensity (Monthly)	m ³ /m ² /month	0.072	0.058	0.042	0.043 ^{vii}

APPENDIX

KEY ESG DATA SUMMARY

Metric	Unit	2019	2021	2022	2023
Waste and Recycling					
Total waste generated	tonnes	1,579	8,513	8,125	8,139
Waste disposed	tonnes	1,578.8	7,353	7,104	6,629
Waste diverted from disposal by recycling	tonnes	0.2	1,047	1,021	1,511
Waste recycling rate	%	0.0	12.5	12.6	18.6
Waste intensity (Annual)	kg/m ²	4.3	6.8	5.7	6.1
Waste intensity (Monthly)	kg/m ² /month	0.36	0.57	0.48	0.51

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

ii Air travel from Singapore

iii 61.8% reduction in Scope 1 and 2 emissions intensity compared to 2008 baseline.

iv Natural gas and small amount of diesel fuel.

v 53.9% reduction in energy consumption intensity compared to 2008 baseline.

vi Municipal water supply.

vii 53.5% reduction in water consumption intensity compared to 2008 baseline.

Social Data

Metric	Unit	2021	2022	2023
Diversity (gender, region, age group, and employment category)ⁱ				
Employees				
Total Employees	Number	542	498	482
Singapore	Number, (%)	18 (3.3%)	18 (3.6%)	20 (4.1%)
China	Number, (%)	524 (96.7%)	480 (96.4%)	462 (95.9%)
Male	Number, (%)	312 (57.6%)	287 (57.6%)	272 (56.4%)
Female	Number, (%)	230 (42.4%)	211 (42.4%)	210 (43.6%)
<30 years old	Number, (%)	10.7%	11.6%	49 (10.2%)
30-50 years old	Number, (%)	76.2%	73.9%	373 (77.4%)
>50 years old	Number, (%)	13.1%	14.5%	60 (12.4%)
Non-Executive (N)	Number, (%)	346 (63.7%)	324 (65.1%)	308 (63.9%)
Executive (E)	Number, (%)	146 (26.9%)	127 (25.5%)	120 (24.9%)
Management (M and L)	Number, (%)	51 (9.4%)	47 (9.4%)	54 (11.2%)
New Hires (gender, age group, and region)				
Total New Hires	Number, (%)	105 (100%)	57 (100%)	42 (100%)
Singapore	Number, (%)	7 (6.7%)	4 (7.0%)	4 (20.0%)
China	Number, (%)	98 (93.3%)	53 (93.0%)	38 (8.2%)
Male	Number, (%)	53 (50.5%)	27 (47.4%)	20 (7.4%)
Female	Number, (%)	52 (49.5%)	30 (52.6%)	22 (10.5%)
<30 years old	Number, (%)	39 (37.1%)	24 (42.1%)	12 (24.5%)
30-50 years old	Number, (%)	65 (61.9%)	33 (57.9%)	30 (8.0%)
>50 years old	Number, (%)	1 (1.0%)	0 (0.0%)	0 (0.0%)
Turnoverⁱⁱ (gender, age group, and region)				
Total Turnover	Number, (%)	155 (28.6%)	96 (19.3%)	70 (14.5%)
Singapore	Number, (%)	4 (22.2%)	4 (22.2%)	2 (10.0%)
China	Number, (%)	151 (28.8%)	92 (19.2%)	68 (14.7%)
Male	Number, (%)	86 (27.6%)	50 (17.4%)	36 (13.2%)
Female	Number, (%)	69 (30.0%)	46 (21.8%)	34 (16.2%)
<30 years old	Number, (%)	40 (56.3%)	21 (29.2%)	18 (36.7%)

APPENDIX

KEY ESG DATA SUMMARY

Metric	Unit	2021	2022	2023
30-50 years old	Number, (%)	99 (24.0%)	61 (16.6%)	45 (12.1%)
>50 years old	Number, (%)	16 (27.6%)	14 (24.1%)	7 (11.7%)
Development & Training				
Employees				
Average training hours per employee	Hours/ employee	103.4	76.6	75.2
Male	Hours/ employee	114.5	87.5	88.4
Female	Hours/ employee	88.7	61.8	58.1
Occupational Health & Safety				
Employees				
Fatalities	Number of cases	0	0	0
High-consequence injuries (Injuries resulting in permanent disability)	Number of cases	0	0	0
Recordable injuries	Number of cases	1	0	0
Recordable work-related ill health cases (Occupational disease)	Number of cases	0	0	0
Injury Rate ⁱⁱⁱ	per million manhours worked	0.9	0	0
Lost Day Rate ^{iv}	per million manhours worked	315.8 ^v	0	0
Contractors				
Fatalities	Number of cases	0	0	0
High-consequence injuries (Injuries resulting in permanent disability)	Number of cases	0	0	0
Injury Rate ⁱⁱⁱ	per million manhours worked	0	0	0
Lost Day Rate ^{iv}	per million manhours worked	0	0	0
<p>i. The employee category for 2023 have been revised to align with CLI Group: (a) Non-Management is redefined as Non-Executive (N) and Executive (E) categories (b) Management and Senior Management are redefined as Management (M and L)</p> <p>ii. This percentage is calculated against total headcount of the respective breakdown, and includes both voluntary and involuntary turnover.</p> <p>iii. Number of work-related injuries over total scheduled work hours for all employees for the year have been calculated per million hours worked.</p> <p>iv. Number of lost man-days over total scheduled work hours for all employees for the year have been calculated per million hours worked.</p> <p>v. Includes lost days for an injury occurred in December 2020 as the employee's recovery spanned across 2020 and 2021.</p>				
Governance Data				
Metric	Unit	2021	2022	2023
Board Composition				
Board independence	%	66.7	62.5	70.0
Women on the board	%	11.1	25.0	40.0
Management Diversity				
Female representation in CLI's senior management team	%	40	40	38
Female representation in CLCT's key management team	%	33.3	33.3	33.3
Ethical Behaviour				
Anti-corruption disclosures	Discussion and number of standards	ISR 2021 (Pg 38-39)	ISR 2022 (Pg 48-50)	ISR 2023 (Pg 59-61)

APPENDIX

GRI CONTENT INDEX

GRI Standards	Disclosure Number	Disclosure Title	Section Reference and Remarks
GRI 1: Foundation 2021	Integrated Sustainability Report 2023		
General Disclosures			
GRI 2: General Disclosures 2021	The Organisation and its Reporting Practices		
	2-1	Organisational details	About Us (Pg 3)
	2-2	Entities included in the organisation's sustainability reporting	About This Report (Pg 4)
	2-3	Reporting period, frequency and contact point	About This Report (Pg 4)
	2-4	Restatements of information	About This Report (Pg 4)
	2-5	External assurance	About This Report (Pg 5)
	Activities and Workers		
	2-6	Activities, value chain and other business relationships	About Us (Pg 3) About This Report (Pg 4) Supply Chain Management (Pg 40)
	2-7	Employees	Diversity, Equity and Inclusion (Pg42) Key ESG Data Summary (Pg 77)
	2-8	Workers who are not employees	Workers Who Are Not Employees (Pg 44)
	Governance		
	2-9	Governance structure and composition	Sustainability Approach (Pg 13-15) Board Independence, Diversity and Performance (Pg 55-57) Annual Report (Pg 34 -41, 110-122)
	2-10	Nomination and selection of the highest governance body	Annual Report (Pg 123-125) Board Composition and Renewal (Pg 55-56)
	2-11	Chair of the highest governance body	Sustainability Approach (Pg 13-15)
	2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Approach (Pg 13-15) Role of Chairman and Chief Executive Officer (Pg 57)
	2-13	Delegation of responsibility for managing impacts	Sustainability Approach (Pg 13-15) TCFD Recommendations: Governance (Pg 66)
	2-14	Role of the highest governance body in sustainability reporting	Sustainability Approach (Pg 13-15) TCFD Recommendations: Governance (Pg 66)
	2-15	Conflicts of interest	Conflict of Interest (Pg 58)
	2-16	Communication of critical concerns	Harassment and Grievance Handling (Pg 45) Board Independence, Diversity and Performance (Pg 55-57) Fraud, Bribery and Corruption (FBC) Risk Management Framework (Pg 59-61)
	2-17	Collective knowledge of the highest governance body	Sustainability Approach (Pg 13-15) Board Independence, Diversity and Performance (Pg 55-57) TCFD Recommendations: Governance (Pg 66)

APPENDIX

GRI CONTENT INDEX

GRI Standards	Disclosure Number	Disclosure Title	Section Reference and Remarks	
GRI 2: General Disclosures 2021	2-18	Evaluation of the performance of the highest governance body	Organisational Capital- Board Performance (Pg 56-57) Annual Report (Pg 126)	
	2-19	Remuneration policies	Annual Report (Pg 127-132)	
	2-20	Process to determine remuneration	Fair Remuneration (Pg 44-45) Annual Report (Pg 127-132)	
	2-21	Annual total compensation ratio	Not disclosed due to confidentiality constraints	
	Strategy, Policies and Practices			
	2-22	Statement on sustainable development strategy	CEO Message (Pg 8) Board Message (Pg 9)	
	2-23	Policy commitments	Annual Report (Pg 119-122, 142) CLI Environmental, Health and Safety Policy (Pg 25, 37) Policy links: (i) CLI EHS Policy: https://www.capitaland.com/en/investment/sustainability/esg-policies.html (ii) CapitalLand Social Charter, Diversity & Inclusion Policy, Harassment Policy: https://www.capitaland.com/en/about-capitaland/sustainability.html#tab-0-social (iii) CLI Supply Chain Code of Conduct: https://www.capitaland.com/en/about-capitaland/sustainability.html#tab-0-social	
	2-24	Embedding policy commitments	Environmental, Health and Safety (EHS) (Pg 25-26) Robust OHS Management System (Pg 37-39) Fraud, Bribery and Corruption (FBC) Risk Management Framework (Pg 56-62)	
	2-25	Processes to remediate negative impacts	Harrassment and Grievance Handling (Pg 45) Fraud, Bribery and Corruption (FBC) Risk Management Framework (Pg 59-61)	
	2-26	Mechanisms for seeking advice and raising concerns	Fraud, Bribery and Corruption (FBC) Risk Management Framework (Pg 59-61)	
	2-27	Compliance with laws and regulations	Fraud, Bribery and Corruption (FBC) Risk Management Framework (Pg 59-61)	
	2-28	Membership associations	REIT Association of Singapore (REITAS), Tripartite Alliance for Fair and Progressive Employment Practices (Aligned with CLI)	
	Stakeholder Engagement			
	2-29	Approach to stakeholder engagement	Stakeholder Engagement (Pg 21, 48-50)	
	2-30	Collective bargaining agreements	Respect for Freedom of Association (Pg 45)	

APPENDIX

GRI CONTENT INDEX

GRI Standards	Disclosure Number	Disclosure Title	Section Reference and Remarks
Material Topics			
GRI 3: Material Topics 2021	Management Approach		
	3-1	Process to determine material topics	Materiality (Pg 15-16)
	3-2	List of material topics	Materiality (Pg 15-16)
	Business Ethics and Risk Management		
	3-3	Management of material topics	Governance: Organisational Capital (Pg 44, 59-62)
GRI 205: Anti- Corruption 2016	205-1	Operations assessed for risks related to corruption	Fraud, Bribery and Corruption (FBC) Risk Management Framework (Pg 59-62)
	205-2	Communication and training on anti-corruption policies and procedures	Organisational Capital - Training (Pg 61)
	205-3	Confirmed incidents of corruption and actions taken	Sustainability Highlights (Pg 7) Governance: Organisational Capital (Pg 55) Organisational Capital- Fraud, Bribery and Corruption (FBC) Risk Management Framework (Pg 61)
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints regarding breaches of customer privacy and losses of customer data	There were no substantiated complaints, leaks, thefts or losses of customer data during the FY 2023.
GRI 3: Material Topics 2021	Economic Benefits to Stakeholders		
	3-3	Management of material topics	Financial Performance (Pg 63-64)
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Financial Performance (Pg 63-64) Please refer to Financial Statements in CLCT's Annual Report 2023 for more information.
	203-1	Infrastructure investments and services supported	Community/NGO (Pg 50-51)
GRI 3: Material Topics 2021	Products and Services		
	3-3	Management of material topics	Robust OHS Management System (Pg 37-39) OHS and Wellness of Stakeholders (Pg 40)
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Robust OHS Management System (Pg 37-39) OHS and Wellness of Stakeholders (Pg 40)
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	We report no incidences of non-compliance concerning the health and safety impacts of products and services, and marking communications
GRI 417: Marketing and Labelling 2016	417-3	Incidents of non-compliance concerning marketing communications	Other ethical management issues (Pg 61) We report no incidences of non-compliance concerning marketing communications.
GRI 3: Material Topics 2021	Climate Change and Carbon Reduction		
	3-3	Management of material topics	Environmental and Manufactured Capital (Pg 22-24, 28-30)

APPENDIX

GRI CONTENT INDEX

GRI Standards	Disclosure Number	Disclosure Title	Section Reference and Remarks
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Carbon Emissions and Intensity (Pg 29) Environmental Performance (Pg 32) Key ESG Data Summary (Pg 76)
	305-2	Energy direct (Scope 2) GHG emissions	Carbon Emissions and Intensity (Pg 29) Environmental Performance (Pg 32) Key ESG Data Summary (Pg 76)
	305-3	Other indirect (Scope 3) GHG emissions	Carbon Emissions and Intensity (Pg 29) Key ESG Data Summary (Pg 76)
	305-4	GHG emissions intensity	Carbon Emissions and Intensity (Pg 29) Key ESG Data Summary (Pg 76)
	305-5	Reduction of GHG emissions	Carbon Emissions and Intensity (Pg 29) Key ESG Data Summary (Pg 76)
GRI 3: Material Topics 2021	Energy Efficiency		
	3-3	Management of material topics	Environmental and Manufactured Capital (Pg 22-24, 28-30)
GRI 302: Energy 2016	302-1	Energy consumption within the Organisation	Energy Consumption, Intensity and Renewables (Pg 29-30) Key ESG Data Summary (Pg 76)
	302-3	Energy intensity	Energy Consumption, Intensity and Renewables (Pg 29-30) Environmental Performance (Pg 32) Key ESG Data Summary (Pg 76)
	302-4	Reduction of energy consumption	Energy Consumption, Intensity and Renewables (Pg 29-30) Environmental Performance (Pg 32) Key ESG Data Summary (Pg 76)
GRI 3: Material Topics 2021	Water Management		
	3-3	Management of material topics	Water Consumption and Intensity (Pg 30-31)
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Water Consumption and Intensity (Pg 30-31) Key ESG Data Summary (Pg 76)
	303-2	Management of water discharged-related impacts	Water Consumption and Intensity (Pg 30-31) Key ESG Data Summary (Pg 76)
	303-3	Water withdrawal	Water Consumption and Intensity (Pg 30-31) Key ESG Data Summary (Pg 76)
	303-4	Water discharge	Wastewater is discharged into the municipal facilities.
	303-5	Water consumption	Total amount of water consumed is assumed to be the same as total amount of water withdrawn. Water Consumption and Intensity (Pg 30-31) Environmental Performance (Pg32) Key ESG Data Summary (Pg 76)
GRI 3: Material Topics 2021	Water Management		
	3-3	Management of material topics	Waste Management (Pg 31)

APPENDIX

GRI CONTENT INDEX

GRI Standards	Disclosure Number	Disclosure Title	Section Reference and Remarks
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Waste Management (Pg 31) Key ESG Data Summary (Pg 77)
	306-2	Management of significant waste-related impact	Waste Management (Pg 31) Key ESG Data Summary (Pg 77)
	306-3	Waste generated	Waste Management (Pg 31) Key ESG Data Summary (Pg 77)
	306-4	Waste diverted from disposal	Waste Management (Pg 31) Key ESG Data Summary (Pg 77)
	306-5	Waste directed to disposal	Waste Management (Pg 31) Key ESG Data Summary (Pg 77)
GRI 3: Material Topics 2021	Biodiversity		
	3-3	Management of material topics	Biodiversity (Pg 27)
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity (Pg 27)
	304-2	Significant impacts of activities, products and services on biodiversity	Biodiversity (Pg 27)
GRI 3: Material Topics 2021	Occupational Health & Safety		
	3-3	Management of material topics	Robust OHS Management System (Pg 37-39) OHS and Wellness of Stakeholders (Pg 40-41)
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Robust OHS Management System (Pg 37-39)
	403-2	Hazard identification, risks assessment, and incident investigation	Robust OHS Management System (Pg 37-38)
	403-3	Occupational health services	Robust OHS Management System (Pg 37-39)
	403-4	Worker participations, consultation, and communication on occupational health and safety	OHS and Wellness of Stakeholders (Pg 40-41)
	403-5	Worker training on occupational health and safety	Robust OHS Management System (Pg 39)
	403-6	Promotion of worker health	OHS and Wellness of Stakeholders, Staff Engagement (Pg 40, 47-48)
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Robust OHS Management System (Pg 37-39)
	403-8	Workers covered by an occupational health and safety management system	Measuring our Safety Performance (Pg 39)
	403-9	Work-related injuries	Measuring our Safety Performance (Pg 39) Key ESG Data Summary (Pg 78)
	403-10	Work-related ill health	Measuring our Safety Performance (Pg 39) Key ESG Data Summary (Pg 78)

APPENDIX

GRI CONTENT INDEX

GRI Standards	Disclosure Number	Disclosure Title	Section Reference and Remarks
GRI 3: Material Topics 2021	Human Capital		
	3-3	Management of material topics	Human Capital (Pg 34-35, 43-49)
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Human Rights (Pg 43) Key ESG Data Summary (Pg 77)
	401-3	Paternal leave	Positive Work Environment (Pg 47) Key ESG Data Summary (Pg 78)
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Talent Management (Pg 46) Key ESG Data Summary (Pg 78)
	404-2	Programs for upgrading skills and transition assistance programs	Transition Assistance Programme (Pg 44) Talent Management (Pg 46)
	404-3	Percentage of employees receiving regular performance and career development reviews	Annual Performance Reviews (Pg 44)
GRI 3: Material Topics 2021	Diversity and Human Rights		
	3-3	Management of material topics	Human Rights (Pg 41) Diversity, Equity and Inclusion (DEI) (Pg 42-43)
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Board Diversity (Pg 13) Key ESG Data Summary (Pg 77)
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective action taken	No reported incidents relating to discrimination in CLCT (Pg 20) Human Rights (Pg 41)
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	No reported incidents relating to child labour in CLCT (Pg 20) Human Rights (Pg 41)
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour, and measures taken to eliminate it	No reported incidents relating to forced labour in CLCT (Pg 20) Human Rights (Pg 41)
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	Stakeholder Engagement (Pg 48-51)
GRI 3: Material Topics 2021	Supply Chain Management		
	3-3	Management of material topics	Supply Chain (Pg 40-41, 50)
GRI 308: Supplier Environmental Assessment 2016	308-1	New supplier screened using environmental criteria	Supply Chain Management (Pg 40)
GRI 414: Supplier Social Assessment 2016	414-1	New supplier that were screened using social criteria	Supply Chain Management (Pg 40)

APPENDIX

SASB DISCLOSURE INDEX

SASB Code	Metric	Unit	Property Subsector	2023
Energy Management (Note 1)				
IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property sector	Percentage (%) by floor area	Retail	100%
			Business Park	100%
IF-RE-130a.2	(1) Total energy consumed by portfolio area with data coverage,	Gigajoules (GJ)	Retail	255,057
			Business Park	63,844
	(2) percentage grid electricity, and	Percentage %	Retail	100%
			Business Park	97%
	(3) percentage renewable, by property sector	Percentage %	Retail	0%
			Business Park	3%
IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property sector	Percentage %	Retail	2%
			Business Park	-4%
IF-RE-130a.4	Percentage of eligible portfolio that: (1) has an energy rating and	Percentage (%) by floor area	Retail	100%
			Business Park	100%
			Logistic Park	100%
	(2) is certified to ENERGY STAR, by property sector	Percentage (%) by floor area	Retail	n/a
			Business Park	n/a
			Logistic Park	n/a
IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	n/a	Applicable to all assets in CLCT's portfolio	Aligned to CapitaLand Investment (CLI), CLCT integrates energy management considerations in all stages of the real estate life cycle, from investment, design, development to operation. This can be seen in our life-cycle management for sustainable building guidelines on page 27 of this report.

APPENDIX

SASB DISCLOSURE INDEX

SASB Code	Metric	Unit	Property Subsector	2023
Water Management (Note 1)				
IF-RE-140a.1	Water withdrawal data coverage as a percentage of: (1) total floor area and,	Percentage (%) by floor area	Retail	100%
			Business Park	100%
	(2) floor area in regions with High or Extremely High Baseline Water Stress, by property sector	Percentage (%) by floor area	Retail	Note 2
			Business Park	Note 2
IF-RE-140a.2	(1) Total water withdrawn by portfolio area with data coverage and	Thousand cubic metres (m ³)	Retail	469
			Business Park	226
	(2) percentage in regions with High or Extremely High Baseline Water Stress, by property sector	Percentage %	Retail	Note 2
			Business Park	Note 2
IF-RE-140a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property sector	Percentage %	Retail	-4%
			Business Park	1%
IF-RE-140a.4	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	n/a	Applicable to all assets in CLCT's portfolio	CLCT takes a strategic approach to water management to enhance the efficiency, resilience and long-term value of the CLCT's portfolio.

APPENDIX

SASB DISCLOSURE INDEX

SASB Code	Metric	Unit	Property Subsector	2023
Management of Tenant Sustainability Impacts				
IF-RE-410a.1	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area, by property sector	Percentage (%) by floor area, Square metres (m ²)	Applicable to all assets in CLCT's portfolio	Data not available.
IF-RE-410a.2	Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property sector	Percentage (%) by floor area	Applicable to all assets in CLCT's portfolio	100% of our tenants have individual electricity and water meters.
IF-RE-410a.3	Discussion of approach to measuring, incentivising and improving sustainability impacts of tenants	n/a	Applicable to all assets in CLCT's portfolio	Beyond operating environmentally sustainable properties, CLCT recognises the significant roles played by end-users of our properties. We collaborate with our tenants closely to align with both CLCT's sustainability goals. As of 31 December 2023, all CLI-managed properties in our portfolio have implemented green leases. Additionally, a green fit-out guide is provided to new tenants to encourage greener fit-outs and promote sustainable practices and behaviour.

APPENDIX

SASB DISCLOSURE INDEX

SASB Code	Metric	Unit	Property Subsector	2023
Climate Change Adaptation				
IF-RE-450a.1	Area of properties located in 100-year flood zones, by property sector	Square metres (m ²)	Applicable to all assets in CLCT's portfolio	CLCT has finalised its climate scenario analysis in 2023, which includes the assessment across asset-level exposure over fluvial flooding and coastal flooding. This analysis considered the 1.5°C, 2°C and 3°C scenarios for current to long term time frames. The risks level for fluvial flooding is low in each scenario, whereas the risk level for coastal flooding is significant in all three scenarios. We have developed mitigation measures for the identified risks and will continuously review them on a regular basis. For further details, please refer to specific exposures in CLCT's portfolio on pages 63-64 of this report.
IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	n/a	Applicable to all assets in CLCT's portfolio	CLCT's climate change risk exposure analysis, including our strategies for mitigating the risks for all assets in our portfolio are disclosed on pages 69-73 of this report.
<p>Table Notes:</p> <p>Note 1 - The energy consumption and water management data for the four logistic parks within CLCT's portfolio are excluded. The logistic parks are managed by third parties, hence CLCT has no operation control over them.</p> <p>Note 2 - CLCT's properties are primarily located in Tier 1 and leading cities in China. Based on the Aqueduct Water Risk Atlas, CLCT's properties have been identified to be ranging between the medium to extremely high-water stress areas.</p>				