





COMMITMENT TO MINIMISING ENVIRONMENTAL IMPACT

CLI is committed to minimising its environmental impact by building a resilient and resource-efficient portfolio. Fostering an innovative culture is key in its ESG journey as it seeks to create sustainable value for its stakeholders as a global real asset manager.

CLI incorporates environmental sustainability throughout the life cycle of its real estate investments, from acquisition, design, procurement, construction, operations to asset enhancement/redevelopment stages. It closely monitors and takes actions to mitigate the environmental impact of its business operations. The efficient use of environmental resources, such as energy and water, contributes to the operational efficiency and long-term sustainability of the Company, as well as enhances resilience to climate change.

The following framework outlines the material environmental aspects of CLI's business functions including investment, property management and corporate office management.

Framework			
Material Issues			
Climate Change and Energy	Water	Waste	Biodiversity
 <ul style="list-style-type: none"> Global greenhouse gas (GHG) emissions at unsustainable level Cost pressure from rising demand for energy 	 <ul style="list-style-type: none"> Water scarcity, accessibility and security 	 <ul style="list-style-type: none"> Waste generation at unsustainable rates Cost pressure from waste management and resource scarcity 	 <ul style="list-style-type: none"> Interdependence between the natural environment and well-being of the community
Policy and Objectives			
<ul style="list-style-type: none"> Reduce carbon emissions and transit to low-carbon operations Build resilience for CLI's portfolio against the physical risks of climate change and transition risks such as changing regulations and external expectations towards a low-carbon economy Reduce energy consumption and transit to renewable energy sources Reduce water consumption and encourage the use of treated/recycled water and rainwater harvesting Minimise the generation of waste and increase rate of recycling Manage biodiversity to contribute positively to the natural environment Engage stakeholders to adopt environmentally sustainable behaviours 			
Accountability			
<ul style="list-style-type: none"> Chief Executive Officers (CEOs) of respective business units (BUs) within CLI are Sustainability Champions and accountable for Environmental Management System (EMS) performance ISO 14001-certified EMS ensures accountability to all CLI staff Key performance indicators (KPIs) are linked to remuneration of all CLI staff; performance is tracked and disclosed regularly 			

Framework

Method/Action Plan

Environmental Management System (EMS)

- Ensure legal compliance
- Identify environmental aspects, conduct risk assessment and manage impact
- Adopt CLI Sustainable Building Guidelines (SBG) - including the Environment, Health and Safety Impact Assessment (EHSIA) during the investment and asset enhancement initiative stage (includes reviewing of climate physical and transition risks, and shadow internal carbon price)
- Environmentally sustainable operations – EMS Standard Operating Procedures (SOPs)
- Engage CLI supply chain, require and indicate preference for ISO 14001 contractors/vendors and set environment targets/ requirements in the procurement of products and services

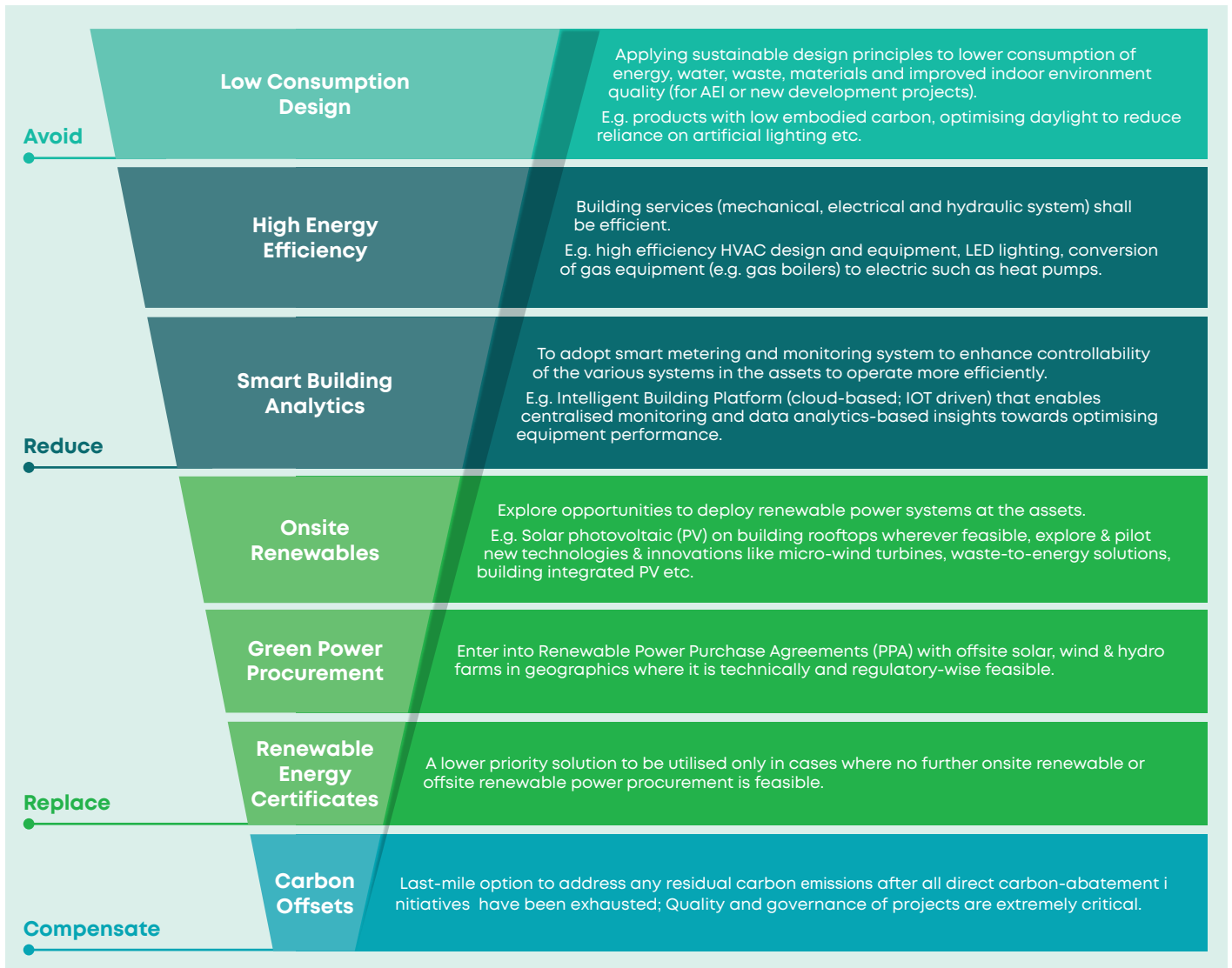
KPIs and Performance-linked Remuneration

- Set eco-efficiency targets and improve performance through tracking of energy and water usage, waste generation and carbon emissions
- Set green rating for new acquisitions and major refurbishments
- Green existing property portfolio

Stakeholder Engagement

- Be involved in national policymaking
- Engage supply chain on EMS matters and share CLI Environmental, Health and Safety (EHS) policy with supply chain
- Collaborate with non-governmental organisations
- Encourage key stakeholders, including tenants, shoppers, guests and the community, to adopt environmentally sustainable behaviour

CLI Carbon Mitigation Hierarchy



CLI follows the Avoid, Reduce, Replace, and Compensate hierarchy for decarbonisation across the real estate life cycle, including for all new build or asset enhancement projects. Project data is monitored during construction and operation through its CLI Environmental Tracking System (ETS). The first stage of carbon mitigation is to avoid the emission of carbon. This is accomplished with low-carbon design early in the stage of a project when major refinements can be made quickly and efficiently, drawing on its in-house CLI Sustainable Building Guidelines (SBG). The next stage focuses on reducing emissions through the use of high efficiency mechanical and engineering equipment and smart building analytics. Further down the hierarchy, it emphasises replacing grid electricity and onsite fuel consumption with onsite renewable energy as well as offsite green power procurement through corporate Power Purchase Agreements. Many of the latest smart building and onsite renewable solutions are also under pilot through the CapitaLand Sustainability X Challenge (CSXC) or CapitaLand Innovation Fund programmes. When neither onsite nor green power are sufficient to replace the building's energy consumption, CLI will consider utilising Renewable Energy Certificates where appropriate. This planned use will be in line with existing SBTi requirements.

CLI aims to address any remaining residual carbon with carbon offsets and is currently reviewing its carbon offsets strategy. The planned use of carbon offsets will be in line with the existing 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. They will be sourced from high quality reputable carbon credit projects that undergo the necessary verification and certification processes, aligned to international standards, with a preference for nature-based carbon removal solutions. CLI will work towards ensuring the credibility and integrity of the offsets that it plans to procure in the future.

COMMITMENT TO A HEALTHY AND SAFE WORKPLACE

CLI is committed to the occupational health and safety (OHS) of its staff, tenants, supply chain partners, and the communities where it operates. Effective OHS management reinforces safety and enhances staff productivity and morale. CLI's OHS framework includes identifying material issues, developing action plans, setting policies, ensuring accountability within CLI and engaging stakeholders.

