

GIC's APPROACH TO SUSTAINABILITY

SUSTAINABILITY IS CORE TO GIC'S MANDATE, WHICH IS TO PRESERVE AND ENHANCE THE INTERNATIONAL PURCHASING POWER OF THE RESERVES UNDER OUR MANAGEMENT.

- 1 **HOLISTIC, LONG-TERM APPROACH BY INTEGRATING SUSTAINABILITY ACROSS THE INVESTMENT AND CORPORATE PROCESSES**
- 2 **RECOGNISE THE DIVERSITY OF INDUSTRIES AND MARKETS**
- 3 **FACTOR INTO TOP-DOWN AND BOTTOM-UP INVESTMENT PROCESSES**
- 4 **ENGAGE AND SUPPORT COMPANIES IN THEIR SUSTAINABILITY TRANSITION, RATHER THAN MECHANICALLY DIVEST FROM INDUSTRY SECTORS**



OFFENCE

CAPTURING OPPORTUNITIES

2 ACTIVE OWNERSHIP THROUGH VOTING AND ENGAGEMENT

GIC IS GUIDED BY OUR **STEWARDSHIP PRINCIPLES** TO ENSURE SOUND CORPORATE GOVERNANCE AND SUSTAINABLE BUSINESS PRACTICES

ACTIVELY ENGAGE OUR PORTFOLIO COMPANIES ON CORPORATE GOVERNANCE BEST PRACTICES

VOTE RESPONSIBLY WITH A LONG-TERM VALUE PERSPECTIVE

ENGAGE INVESTEE COMPANIES TO CONVEY GIC'S VIEWS ON SUSTAINABILITY

1 INTEGRATION

INTEGRATE SUSTAINABILITY INTO OUR **INVESTMENT STRATEGIES AND PROCESSES**

ADVOCATE FOR POSITIVE ESG* OUTCOMES

MAINTAIN REGULAR DIALOGUE ON SUSTAINABILITY OPPORTUNITIES AND RISKS

STRENGTHEN ASSETS' RESILIENCE TO FUTURE CLIMATE CHANGE RISK

DEEPEN RESEARCH ON RENEWABLE ENERGY, URBAN TRANSPORT, SUSTAINABLE FOOD AND AGRICULTURE, AND BATTERY AND GREEN BUILDING TECHNOLOGIES

INCORPORATE SUSTAINABILITY SIGNALS TO QUANTITATIVE STRATEGIES

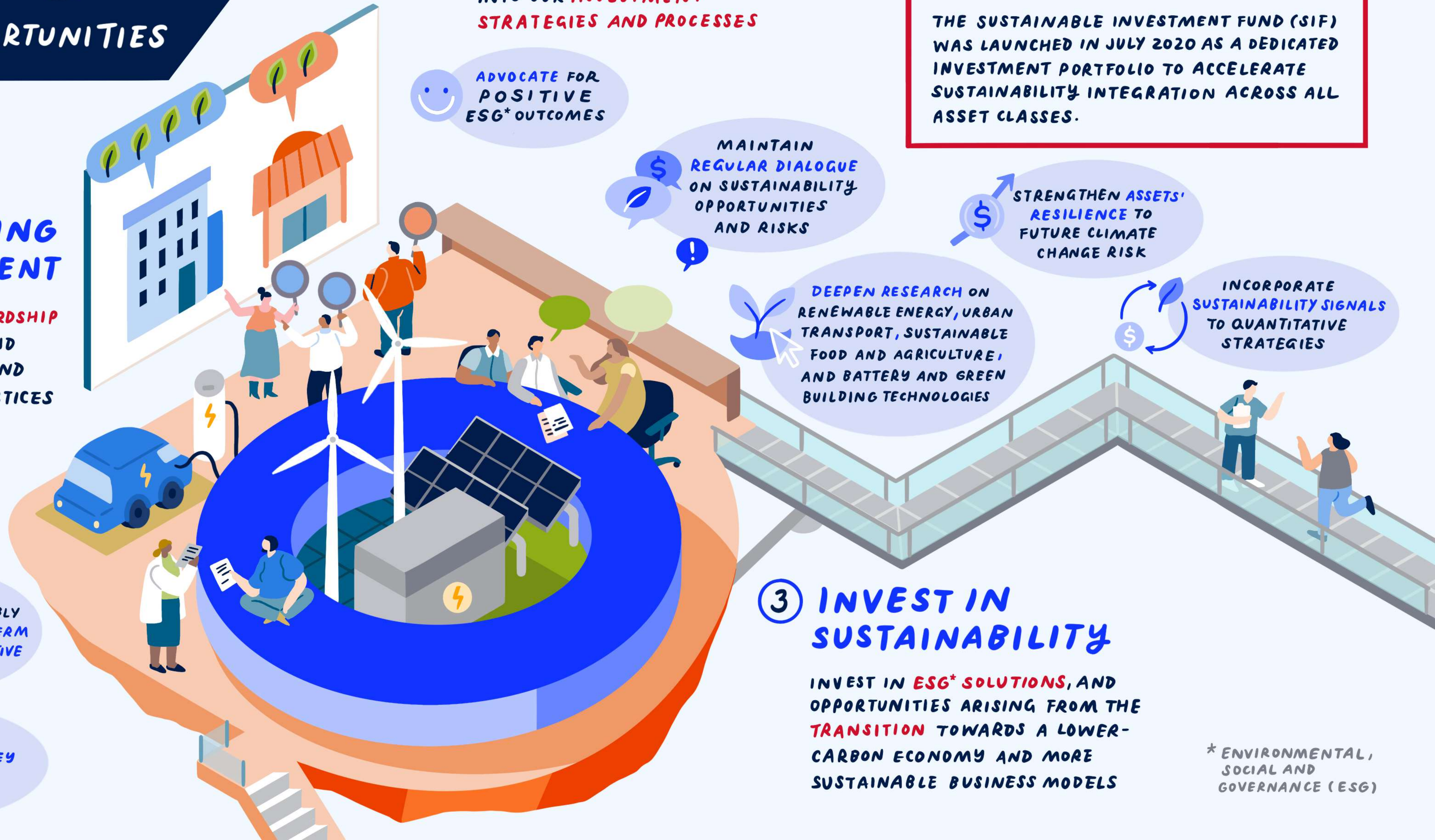
3 INVEST IN SUSTAINABILITY

INVEST IN **ESG* SOLUTIONS**, AND OPPORTUNITIES ARISING FROM THE **TRANSITION** TOWARDS A LOWER-CARBON ECONOMY AND MORE SUSTAINABLE BUSINESS MODELS

SUSTAINABLE INVESTMENT FUND

THE SUSTAINABLE INVESTMENT FUND (SIF) WAS LAUNCHED IN JULY 2020 AS A DEDICATED INVESTMENT PORTFOLIO TO ACCELERATE SUSTAINABILITY INTEGRATION ACROSS ALL ASSET CLASSES.

* ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)



DEFENCE

PROTECTING OUR PORTFOLIO

EFFECTS OF CLIMATE CHANGE ON INVESTMENT PORTFOLIOS:

GIC PROTECTS OUR INVESTMENTS BY:

- 1 DEVELOPING A SET OF **CLIMATE SCENARIOS** TO **STRESS TEST** OUR PORTFOLIO
- 2 **SCREENING** OUR EXISTING PORTFOLIOS REGULARLY
- 3 CONDUCTING **ADDITIONAL DUE DILIGENCE** FOR COMPANIES EXPOSED TO GREATER RISKS

PHYSICAL RISK

NEGATIVELY IMPACT GROWTH AND INFLATION

CHRONIC / GRADUAL RISKS
IMPACT LABOUR AND AGRICULTURAL PRODUCTIVITY (EG. WATER OR HEAT STRESS)

ACUTE RISKS
IMPACT ASSETS THROUGH DIRECT DAMAGE OF BUSINESS DISRUPTION (EG. EXTREME WEATHER EVENTS)

TRANSITION RISK

POLICY SHIFTS DAMPEN THE OVERALL NEGATIVE IMPACT FROM PHYSICAL RISKS
CAUSED BY **POLICY SHIFTS** (EG. CARBON PRICING) AND **DISRUPTIVE TECHNOLOGICAL CHANGES** (EG. RENEWABLE ENERGY, BATTERY STORAGE)

MARKET IMPACT

PROCESS AND SPEED BY WHICH MARKETS PRICE IN FUTURE CLIMATE-RELATED RISKS

CLIMATE-RELATED RISKS AND OPPORTUNITIES ARE MANAGED THROUGH A COMBINATION OF OFFENSIVE AND DEFENSIVE STRATEGIES, IMPLEMENTED VIA **TOP-DOWN MONITORING** AND **BOTTOM-UP INTEGRATION**.



ENTERPRISE EXCELLENCE

OPERATING SUSTAINABLY

GIC OPERATES AND INVESTS SUSTAINABLY AS AN ORGANISATION.

- 1 COMMUNICATE **CLEAR EXPECTATIONS** FOR SUSTAINABLE BEHAVIOUR
- 2 MANAGE RESOURCE USE THROUGH **ENVIRONMENT-CONSCIOUS OFFICE DESIGN** AND **SMART TECHNOLOGY**
- 3 ACHIEVE **CARBON-NEUTRALITY** IN OUR OPERATIONS BY FY20/21 ACROSS OUR 10 GLOBAL OFFICES
- 4 FOSTER A CULTURE THAT EMBRACES **DIVERSITY** AND PROMOTES **RESPECT** AND **ACTIVE CONTRIBUTION**



GIC'S CORPORATE CARBON FOOTPRINT

GIC STARTED MEASURING OUR GLOBAL CORPORATE CARBON FOOTPRINT IN 2019 AND HAVE SYSTEMS IN PLACE TO HELP TRACK THIS.

- WE ACHIEVED CARBON-NEUTRALITY IN OUR OPERATIONS FOR FY20/21 ACROSS OUR GLOBAL OFFICES
- WE REMAIN COMMITTED TO MONITOR AND MANAGE OUR FOOTPRINT BY REDUCING UNNECESSARY CARBON EMISSIONS EVEN AS COVID-19 RESTRICTIONS EASE IN THE FUTURE

PARTNERSHIPS TO ACCELERATE PROGRESS IN GLOBAL SUSTAINABILITY INITIATIVES:

- ASIA INVESTOR GROUP ON CLIMATE CHANGE (AIGCC)
- CDP
- CLIMATE ACTION 100+
- TASK FORCE FOR CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)