

MIT's sustainability approach is closely aligned with that of the Sponsor's, and its performance is benchmarked against the Sponsor's and industry peers. The Manager is committed to broadening its business focus beyond financial returns to incorporate ESG considerations. It strives to build strong relationships with its stakeholders through the following key activities:

**Mapletree ESG Framework** 2-23 2-24

**Building a Resilient Business**

**Creating Value and Delivering Sustainable Returns to Stakeholders while Contributing to Sustainable Development**

**Safeguarding against impact of climate change**

By supporting the transition to a low carbon economy through sustainable investment, development, and operations

**Enhancing social value in the workplace and community**

By ensuring the health and safety of employees and stakeholders, focusing on diversity and inclusion of its workforce and supporting the communities in which it operates

**Upholding high ethical standards**

By conducting its business in an ethical manner and in compliance with all applicable laws and regulations

As part of the continuous improvement of its sustainability strategy, MIT applies the precautionary principle<sup>3</sup> to identify and mitigate possible negative impact to the economy, the environment and the community. MIT embeds sustainability objectives in its ESG policies to provide a roadmap for day-to-day operations and decision-making. The Mapletree Group drives all policies relating to ESG matters. This is supplemented by specific policies that cater to the unique demand and nature of MIT's business. The policies are regularly reviewed and revised in accordance with the changing business environment. They are also communicated to all employees via email and are available on the organisation's intranet. More information on the policies can be found on pages 34 to 35.

The Mapletree Group supports the Paris Agreement and Singapore's net zero ambitions and aligns its sustainability matters with the United Nations' Sustainable Development Goals ("UN SDGs"). Mapletree Group's "Net Zero by 2050" roadmap, announced in FY21/22, serves as a guide for MIT to integrate sustainability principles into investment decisions, operations and development projects. MIT's progress along this roadmap can be found in the Net Zero Progress section on page 12.

**Integrating sustainability into remuneration**

As part of the Manager's commitment to sustainability, the performance target bonus amount for management and employees is tied to Key Performance Indicators ("KPIs") that are

evaluated to be critical to MIT and aligned with its sustainability strategy.

These KPIs include the improvement in capability development of the workforce, the achievement of the reduction in energy consumption and renewable energy targets.

For further information on remuneration matters, refer to pages 88 to 92 of the Annual Report.















**Materiality** 3-1

The Manager recognises that a meaningful sustainability approach involves understanding stakeholders' key concerns and identifying and prioritising the matters that are most material to its business and stakeholders. The Manager conducts an annual review of MIT's material matters to assess their continued relevance. Key internal stakeholders are consulted as part of the process and the scope and priority of each material topic is adjusted where necessary.

















In FY21/22, the Mapletree Group and REIT Managers conducted a re-assessment of MIT's material matters to address changing stakeholder expectations and emerging risks. As part of this exercise, surveys and interviews were conducted with internal and external stakeholders. The Board has reviewed and reaffirmed the continued relevance of the 11 material matters and an additional non-material matter in FY23/24, which have been grouped into four main pillars - Economic, Environmental, Social and Governance.

**Material matters, targets and performance** 3-2 3-3

The Manager mapped its material matters against the UN SDGs to identify areas where MIT could make the most significant contributions. The following table summarises MIT's material matters, targets and performance and how the goals contribute to the relevant UN SDGs.

Material matters	FY23/24		FY24/25 and beyond	Contribution to the UN SDGs
	Targets	Performance	Targets	
<b>Economic Pillar: Creating Value and Delivering Sustainable Returns to Stakeholders</b>				
 <b>Economic performance</b> Achieve sustainable economic growth to provide returns to our Unitholders	Deliver sustainable and growing returns to Unitholders in the long term	●	<b>Long-term target</b> Deliver sustainable and growing returns to Unitholders in the long term	 8 ECONOMIC GROWTH AND EMPLOYMENT
 <b>Strong partnerships</b> Strengthen our relationships with key stakeholders	Plan at least two events to strengthen relationships with key stakeholders	●	<b>Long-term target</b> Plan at least two events to strengthen relationships with key stakeholders	 17 PARTNERSHIPS FOR GOALS
<b>Environmental Pillar: Safeguarding Against Impact of Climate Change</b>				
 <b>Energy and climate change</b> Improve our energy performance and efficiency and manage the risks and opportunities arising from climate change	Reduce FY23/24 average building electricity intensity by 0.75% for MIT's properties in Singapore from the base year of FY22/23	●	Reduce FY24/25 average building electricity intensity by 18% for MIT's properties in Singapore from the base year of FY19/20 <sup>Revised</sup> Increase total solar energy generating capacity in FY24/25 by 4,000 kWp <sup>New</sup> Achieve ISO 14001:2015 certification for the Environmental Management System in FY24/25 <sup>New</sup> <b>Long-term targets: By FY29/30</b> Reduce average building electricity intensity by 15% for MIT's properties in Singapore from the base year of FY19/20 Reduce average building Scope 2 GHG emissions intensity by 17% for MIT's properties in Singapore from the base year of FY19/20 Increase total solar energy generating capacity across MIT's portfolio to 10,000 kWp Align with MIPL's commitment to achieve net zero emissions by 2050	 7 AFFORDABLE AND CLEAN ENERGY  9 INDUSTRY, INNOVATION AND INFRASTRUCTURE  13 CLIMATE ACTION
 <b>Quality, sustainable products and services</b> Improve the quality and sustainability of our real estate assets	Introduce sustainability clauses for all new and renewal leases for the Singapore and North American Portfolios	●	Attain sustainable building certifications for 180 Peachtree Street NW, Atlanta and 250 Williams Street NW, Atlanta <sup>New</sup> Achieve 35% of leases with sustainability clauses in the Singapore Portfolio <sup>New</sup> <b>Long-term target</b> Engage with tenants to adopt sustainability clauses for all new and renewal leases across MIT's portfolio <sup>New</sup>	 11 SUSTAINABLE CITIES AND COMMUNITIES
 <b>Water management</b> Sustainably manage our water resources	Implement water conservation campaign through four initiatives for MIT tenants in Singapore	●	Implement water conservation campaigns through four initiatives for MIT tenants in Singapore <b>Long-term target</b> Engage with tenants on the importance of water conservation <sup>New</sup>	 6 CLEAN WATER AND SANITATION
 <b>Additional non-material matter Waste management</b> Reduce waste generation and promote recycling	Promote the utilisation of food digesters in the Kampong Ampat Cluster	●	Introduce recycling programme for wooden pallets at the Serangoon North Cluster <sup>New</sup>	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

<sup>3</sup> The precautionary principle is set out in the Principle 15 of the UN Rio Declaration on Environment and Development. It states: 'Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation'.

Material matters	FY23/24		FY24/25 and beyond		Contribution to the UN SDGs
	Targets	Performance	Targets		
<b>Social Pillar: Enhancing Social Value in the Workplace and Community</b>					
 <b>Employee engagement and talent management</b> Provide a positive and engaging work environment for our employees	Hold employee town hall meetings at least once in a financial year	●	Hold employee town hall meetings at least once in a financial year		 
	70% of employees to complete at least one hour of ESG and one hour of digital-related training in a financial year	●	80% of employees to complete at least one hour of ESG and one hour of digital-related training in a financial year Complete average training hours per employee of 40 hours <sup>New</sup>		
	Maintain a diverse and relevant learning and professional development programme	●	<b>Long-term target</b> Maintain a diverse and relevant learning and professional development programme		
 <b>Diversity and equal opportunity</b> Maintain equity through fair and equal opportunities for all	Continue to commit to fair employment practices by ensuring that all individuals receive the same opportunities for hiring, advancement and benefits	●	<b>Long-term targets</b> Continue to commit to fair employment practices by ensuring that all individuals receive the same opportunities for hiring, advancement and benefits  Aspire to achieve at least 25% of female representation on the Board by 2025 and 30% by 2030		  
 <b>Health and safety</b> Maintain a safe environment for all stakeholders and care for the well-being of our employees	Achieve zero incidents resulting in employee permanent disability or workplace fatality	●	<b>Long-term target</b> Achieve zero incidents resulting in employee permanent disability or workplace fatality		
 <b>Community impact</b> Support initiatives and projects that have a positive impact on communities	Organise one MIT Corporate Social Responsibility ("CSR") initiative	●	<b>Long-term target</b> Organise one MIT CSR initiative		 
<b>Governance Pillar: Upholding High Ethical Standards</b>					
 <b>Ethical business conduct</b> Conduct our business with utmost integrity and accountability	Maintain zero incidents of non-compliance with anti-corruption laws and regulations	●	<b>Long-term target</b> Maintain zero incidents of non-compliance with anti-corruption laws and regulations		
 <b>Compliance with laws and regulations</b> Achieve full regulatory compliance in everything we do	Achieve no material incidents of non-compliance with relevant laws and regulations	●	<b>Long-term target</b> Achieve no material incidents of non-compliance with relevant laws and regulations		

**Performance Indicator**  
 ● Achieved ● On track ● Not on track

**Short-term sustainability challenges**

MIT's stable workforce and strong compliance with relevant laws and regulations demonstrate the Manager's commitment on the social and governance front. However, the Manager faces challenges in managing the environmental performance of MIT's data centres and multi-user factory space. These are attributed to the nature of the business, regulatory and operating landscape in different geographies. More time and extensive engagement with the tenants will be required to address these challenges.

**Data Centres**

With the rising demand for digital services, cloud computing and artificial intelligence ("AI"), data centres have become an integral part of the global infrastructure. Demand for data centres in the United States alone is predicted to rise by 10% annually till 2030<sup>4</sup>. While data centres are critical to the modern society, they also are highly energy intensive. A large amount of electricity is required to run and cool the servers. This also results in higher GHG emissions as compared to other asset classes. This presents a unique sustainability challenge for MIT, whose portfolio predominantly comprises data centre assets.

The Manager has operational control over five of the 61 data centres in MIT's portfolio. It has implemented measures to manage the environmental impact of data centres where possible. These include installing more efficient cooling systems and increasing renewable energy use. Where the Manager has limited or no operational control of the data centres, efforts to enhance the sustainability aspect of these assets are limited.

The second challenge is the visibility of environmental data. As most of the data centres are leased on a triple-net basis with the utility and property maintenance costs borne solely by the tenants, there is no visibility or control of the tenants' environmental

performance over energy, water and waste. The lack of visibility of environmental data is compounded by the increased emphasis on data privacy and the different ESG regulatory approaches and legislation across the United States.

**Multi-user Factory Space**

Flatted Factories and Stack-up/Ramp-up Buildings constituted about 21.4% of MIT's portfolio (by assets under management) as at 31 March 2024. The tenant base comprises predominantly small and medium-sized enterprises ("SMEs"). They may possess less resources and lower maturity in their sustainability efforts as compared to larger companies. Accordingly, it may be challenging for most tenants from Flatted Factories and Stack-up/Ramp-up Buildings to rapidly scale up their sustainability measures and this could impact MIT's environmental performance. Tenants who are at the early stages of growing their businesses and have limited resources may place a lower priority on investing in sustainability measures.

Nevertheless, the Manager continues to encourage a positive shift in user mindset and behaviour through regular engagement, education, monitoring and measurement to improve the environmental performance of MIT's properties.

Kindly refer to the Net Zero Progress section on page 12 for more information.

**SPOTLIGHT**

**Tackling Sustainability Challenges**

The Manager seeks to account for tenant emissions in its decarbonisation strategy and carbon reduction targets, even though MIT's tenants procure their own energy.

It is therefore paramount to have visibility of tenants' environmental data. This will allow the Manager to better identify opportunities to help the tenants carry out their operations more efficiently. In FY22/23, the Manager established the target on introducing sustainability clauses for new leases in Hi-Tech Buildings and Business Park Buildings. These clauses

aim to encourage tenants to share environmental data and to participate in relevant sustainability initiatives. The target was further expanded to all new and renewal leases of the Singapore and North American Portfolios in the subsequent year. The Manager has established a target on tracking the proportion of leases with sustainability clauses in the Singapore Portfolio for FY24/25 to drive progress.

The Manager will continue to engage tenants on ESG matters, including data sharing, through meetings and sustainability events.



Engaged **24%** of tenants (by Overall Portfolio's NLA) on ESG matters in FY23/24



To achieve **35%** of leases with sustainability clauses in Singapore Portfolio in FY24/25



To attain **2** new sustainable building certifications in FY24/25

<sup>4</sup> Source: Investing in the rising data centre economy, McKinsey & Company, 2023.