



FULLERTON
FUND MANAGEMENT

A member of Sevia Group

Fullerton Sustainability Report 2025



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About this report



Message from CEO

I'm pleased to present Fullerton's 2025 Sustainability Report, which highlights our continued progress in responsible investment, strong governance, and the creation of long-term value for our stakeholders and the planet.

Over the past year, we've deepened the integration of environmental, social, and governance (ESG) considerations across our investment processes and corporate operations—now informing over 80% of our total assets under management.

We remain committed to high standards of ethics and transparency, reflected in our 4-star rating in the 2024 Principles for Responsible Investment (PRI) Assessment Report and our active participation in PRI, AIGCC, and Climate Action 100+.

As part of investment stewardship, we engaged portfolio companies spanning 13 countries and 12 sectors, on material issues such as climate change, biodiversity, and human rights. We also strengthened our partnership with the United Nations Development Programme to accelerate net-zero progress across Asia.

As part of our ongoing commitment to community and environmental engagement, Fullerton proudly launched the Fullerton Spice Garden at West Coast Park in June 2024 under the West Coast initiative. This vibrant 500 sq ft green space features a spice garden with locally grown herbs and spices tied to Singapore's heritage, alongside a greenhouse for nurturing seedlings and hosting educational workshops. Open to the public, the garden fosters community interaction, encourages staff volunteering, and promotes awareness of local produce and urban greenery through hands-on activities and farm-to-table experiences.

Looking ahead, we remain focused on delivering sustainable outcomes through transparency, innovation, and collaboration. We are grateful to our clients, partners, and employees for their continued support and shared commitment to building a more sustainable future.

Thank you for being part of this journey.

Jenny Sofian

Chief Executive Officer
Fullerton Fund Management





Key sustainability highlights

Maintaining our strong governance and ethical standards

- **4 out of 5 stars PRI 2024 Assessment Report** – Policy Governance and Strategy, Listed Equities, Fixed Income (Sovereign, Supranational and Agency and Corporate) and Confidence Building Measures modules
- **Completed internal review** of sustainability reporting processes
- Signatory to **PRI, AIGCC, and Climate Action 100+**

Strengthening our resilience against climate change and advancing our ESG integration

- Engaged with **companies across 13 countries and 12 sectors** – focus on climate change, biodiversity, and labour rights
- **7,265 proposals across 697 meetings**, addressing ESG issues including just transition, board independence, and workplace safety
- **100%** – ESG integration for public and private investments, excluding ETFs, futures, externally managed funds, commodities, cash and derivatives

Increasing our community impact and curating a positive working environment

- Women represented **~40% of Executive Committee** and **~50% of its entire workforce**
- Organised **4 internal Lunch & Learn sessions** to deepen staff knowledge of sustainability topics
- Achieved over **2,643 training hours** (excluding micro-learning via the Go1 platform)
- Held **3 Townhalls** to strengthen employee engagement
- Launched the **Fullerton Spice Garden** in June 2024. The Spice Garden serves as a platform to support community engagement, encourage volunteering and raise awareness on local produce and green urban spaces

About Fullerton Fund Management

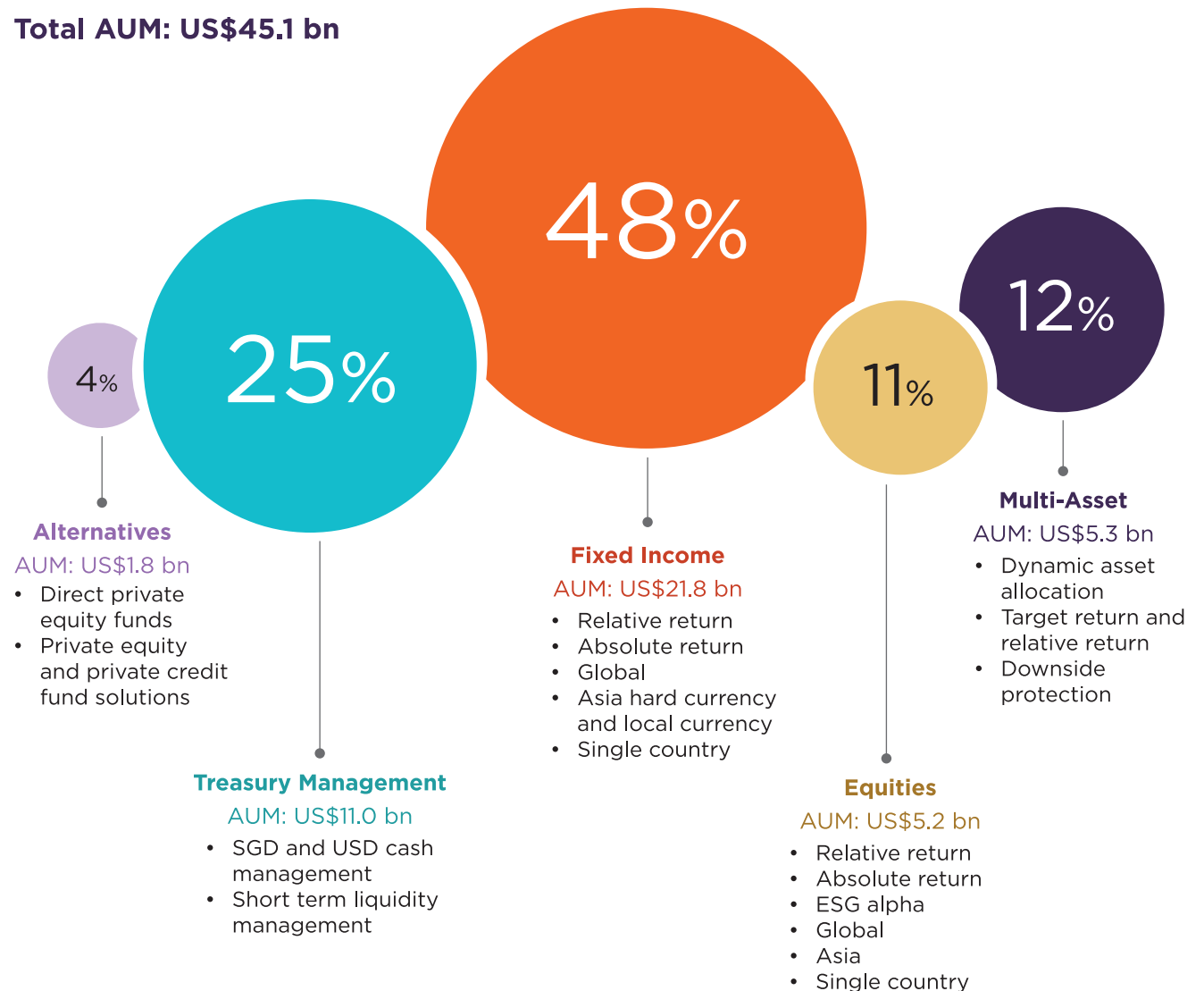
Fullerton Fund Management values robust relationships, focusing on optimising investment outcomes and enhancing investor experience, to suit the unique needs of our clientele. We believe in managing complexities and building relationships to deliver exceptional outcomes, inspiring trust through stewardship and investment excellence, and generating value through innovative and sustainable solutions.

We help clients, including government entities, sovereign wealth funds, pension plans, insurance companies, private wealth and retail clients to achieve their investment objectives. We offer investment solutions that span equities, fixed income, multi-asset, alternatives and treasury management, while also focusing on investment insights, performance and risk management.

Incorporated in 2003, Fullerton is headquartered in Singapore, and has associated offices in Shanghai, Jakarta and Brunei. Fullerton is part of Sevia, an independent asset management group, owned by Temasek. Income Insurance, a leading Singapore insurer, is a minority shareholder of Fullerton.

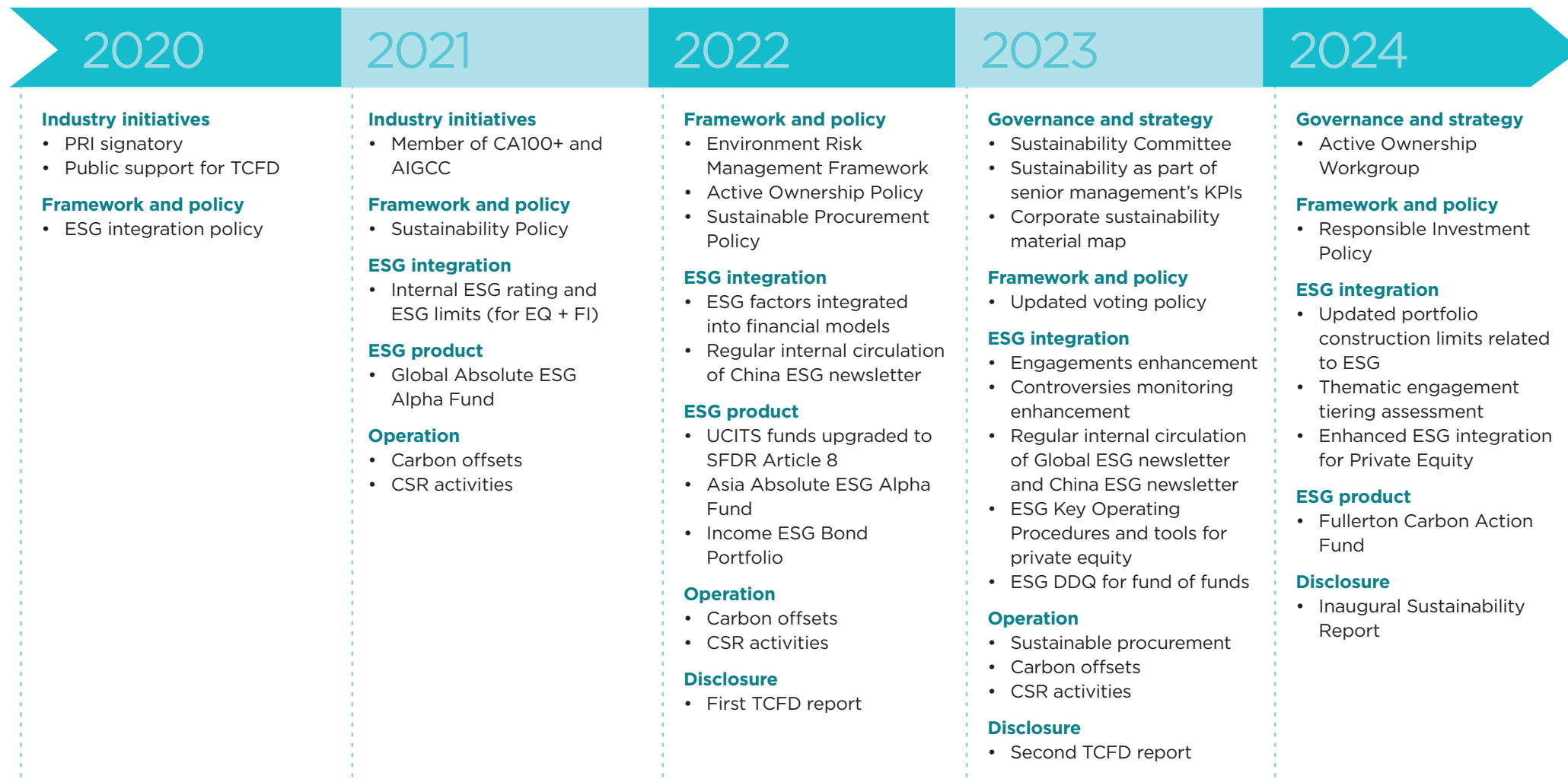
Relevant, comprehensive strategies to develop targeted solutions

Total AUM: US\$45.1 bn



Our sustainability journey

We remain committed to integrating sustainability considerations in how we operate and invest.



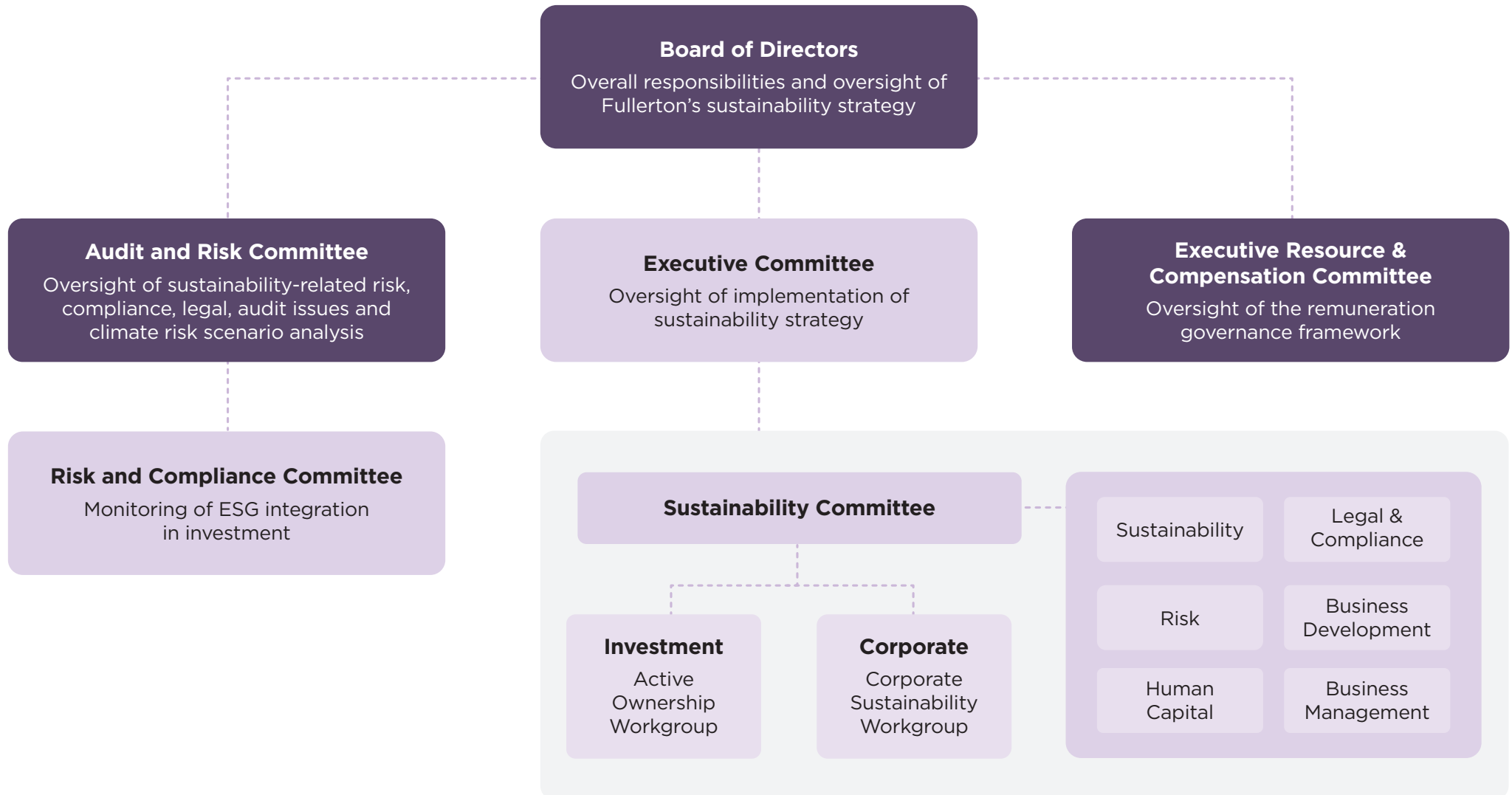
Collaboration with sustainability coalitions and initiatives

We actively work with industry coalitions to contribute to the collective effort of the financial market in building a resilient sustainable finance ecosystem, and to address the risks posed by climate change in investment portfolios, to create positive outcomes for our stakeholders, clients and the community.

Industry collaborations	Participation
Principles for Responsible Investment (“PRI”)	Fullerton is a signatory to the PRI. We firmly believe that integrating ESG considerations leads to better-informed investment decisions and ultimately delivers superior results for our clients.
IFRS Sustainability Alliance	Fullerton is a member of IFRS Sustainability Alliance, the global community for sustainability standards and integrated reporting.
Asia Investor Group on Climate Change (“AIGCC”)	Fullerton is a member of the AIGCC. This influential initiative is dedicated to raising awareness and driving action among Asia’s asset owners and financial institutions. In addition to our independent engagements with portfolio companies, we actively participate in co-engagements with the AIGCC.
Climate Action 100+	Fullerton is a signatory to Climate Action 100+, an investor-led initiative, with the goal of compelling the largest corporate greenhouse gas (“GHG”) emitters worldwide to take decisive action on climate change. As a signatory, we bear the responsibility of engaging directly with focus companies, either independently or in partnership with other investors.
Singapore Stewardship Principles (“SSP”) for Responsible Investors	Fullerton supports the SSP. The SSP aim to guide institutional investors on their stewardship responsibilities towards sustainable performance and delivering long-term risk-adjusted returns. Fullerton participates in research initiatives and shares our experiences via the platform to support capacity building.

Sustainability governance

Sustainability governance structure





Board and oversight

The Board of Directors (“Board”) has the overall responsibility and an oversight role of sustainability and climate change matters of Fullerton. The Board reviews the sustainability strategy on an annual basis and ensures sufficient resources are allocated. In 2024, the Board reviewed the updated policies and approaches, progress and plans on corporate sustainability and responsible investment. Key issues that were reviewed included environmental considerations in the operations, human capital targets, community engagement, thought leadership, sustainability information disclosure, responsible investment policy and enhanced ESG integration approaches across asset classes.

On behalf of the Board, the Audit and Risk Committee (“ARC”) oversees compliance, legal, audit, and risk-related issues, including sustainability risks and climate risk scenario analysis.

The Executive Committee, which consists of senior management, is responsible for overseeing the firm’s sustainability strategy. Corporate sustainability is supervised by the Chief Executive Officer (“CEO”), while sustainable investing is overseen by the Chief Investment Officer (“CIO”).

The Executive Committee reviews and revises sustainability frameworks, policies, tools, and metrics, and supports capacity building and knowledge sharing.

The Executive Resource & Compensation Committee (“ERCC”) oversees the remuneration governance framework. The ERCC is responsible for:

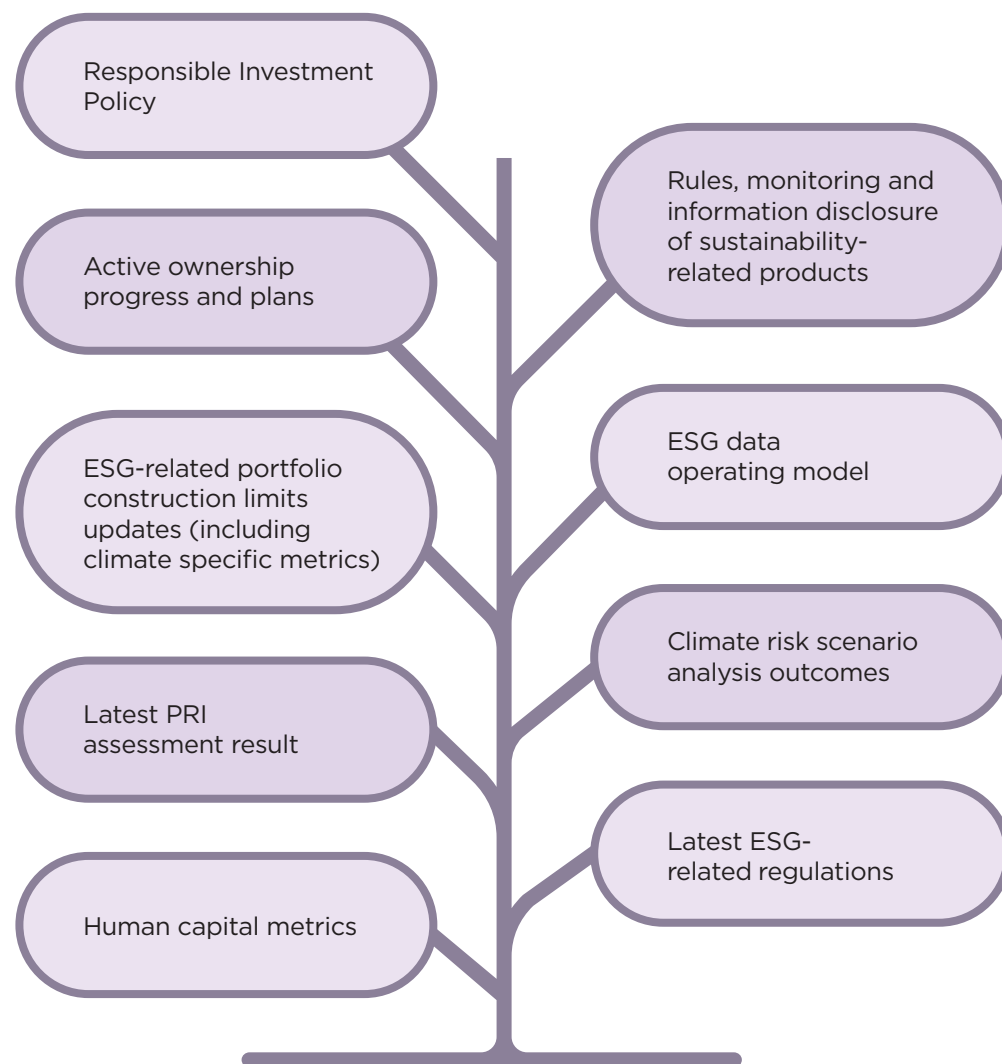
- reviewing and making recommendations to the Board on the composition of the boards of companies within the Fullerton Fund Management group of companies, which includes FPMC Holdings Pte. Ltd. and its direct and indirect subsidiaries (and their branches, if any) (the “Group”), excluding any entity within the Group which board solely comprises employees of Fullerton (the “Operating Entities”);
- recruitment, leadership development and succession planning strategies for Key Management Personnel; and
- a remuneration framework for the Group, as well as the specific remuneration packages for each director and Key Management Personnel.

Sustainability management and implementation

The Sustainability Committee, chaired by the Head of Sustainability, oversees and coordinates the implementation of Fullerton’s sustainability strategy and risk management. The Committee comprises heads or representatives from Risk, Sustainability, Legal and Compliance, Business Management, Human Capital, and Business Development. The Committee convenes on a quarterly basis and as needed, to discuss sustainability-related matters at both the investment and corporate levels. It reports directly to the Executive Committee.

The Head of Sustainability has dual reporting responsibilities to the CEO and CIO. The Head of Sustainability provides regular updates to the CIO on the progress of responsible investment and provides monthly updates to the Executive Committee on ESG initiatives to ensure they are communicated effectively at the strategic and executive levels.

In 2024, the Sustainability Committee addressed a number of important sustainability related topics, including but not limited to:



The Sustainability team collaborates with the broader Investment Group to develop sustainable thematic approaches for alpha generation, embedding sustainability considerations, including climate insights, into the investment process and conducting ESG engagement with portfolio companies on material ESG risks.

The Sustainability team works alongside the Investment team who are accountable for ESG integration, with climate change being one of the most important considerations. Guidelines are in place to incorporate climate considerations into financial modelling and investment decisions.

To enhance the governance of active ownership efforts, the Active Ownership Workgroup has been established in 2024. The Workgroup is chaired by the CIO and comprises representatives from Fixed Income, Equities and Sustainability teams. The Workgroup meets quarterly to discuss investment-related sustainability issues.

The Corporate Sustainability Workgroup, led by the Head of Marketing and Corporate Sustainability, is responsible for designing and implementing the firm's corporate sustainability programme. The Corporate Sustainability Workgroup comprises representatives from Business Development, Sustainability, Risk, Human Capital, Corporate Strategy, Legal & Compliance and Business Management. Members meet monthly to conceptualise, strategise and implement the Company's corporate sustainability programmes. Workgroup meeting minutes are shared with the Sustainability Committee and the Executive Committee. The Head of Marketing and Corporate Sustainability is also a member of the Sustainability Committee, which promotes synergies between the Sustainability Committee and the Corporate Sustainability Workgroup.

The three lines of defence

At Fullerton, we recognise the importance of integrating ESG risks into our risk management framework and are committed to improving these practices to safeguard our clients' assets. We have integrated climate change risks into our risk management strategy and our approach is structured around the three lines of defence as follows:



First Line: Business units, including the Investment, Business Development and Business Management teams, diligently assess and manage inherent risks and opportunities in daily operations.

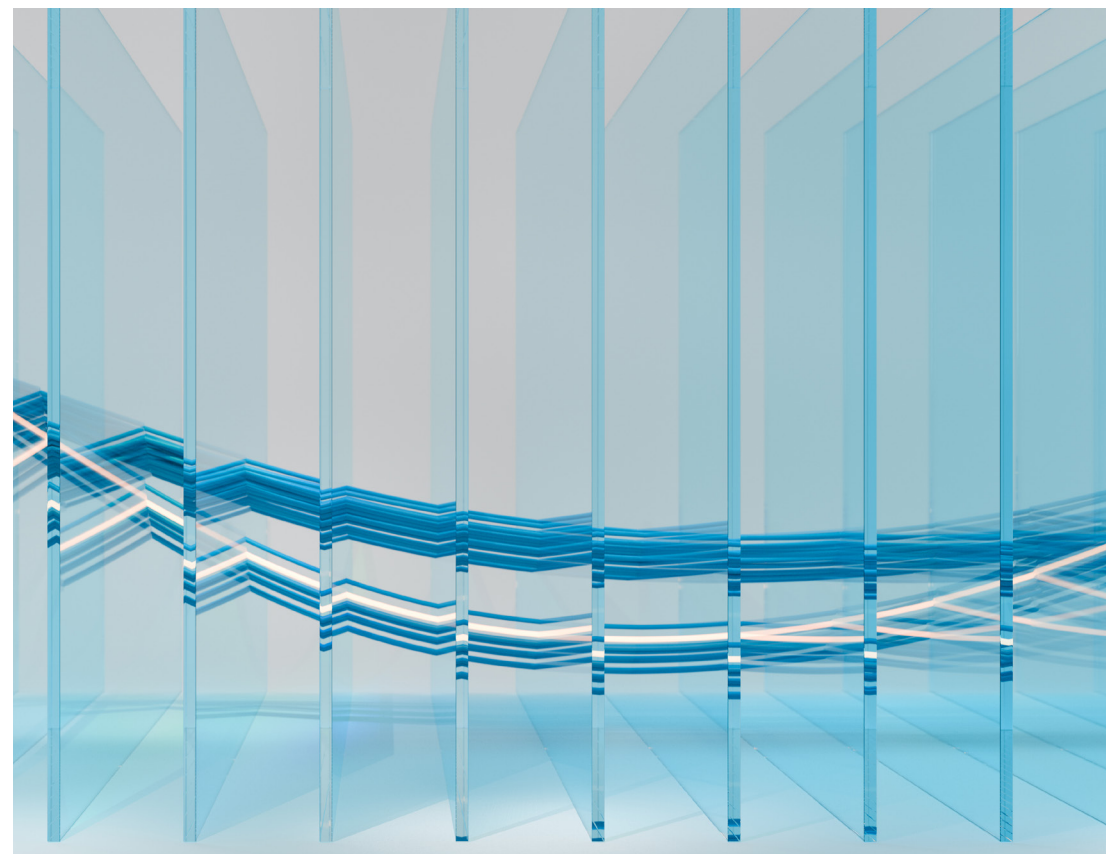
The Sustainability team supports the Investment team in conducting ESG analysis for investments and leveraging Fullerton's proprietary framework and third-party ESG data providers.

Second Line: The Risk Management team independently oversees the implementation of ESG investment risk policy, actively challenging practices and assumptions while monitoring progress. The Compliance team ensures full adherence to regulatory requirements at both investment and corporate levels.



Third Line: Internal audit conducts independent assessments to evaluate the adequacy and effectiveness of internal controls, providing assurance to the Audit and Risk Committee. This includes evaluating the strength of our risk management framework in managing ESG and climate risks as well as our overall ESG integration process.

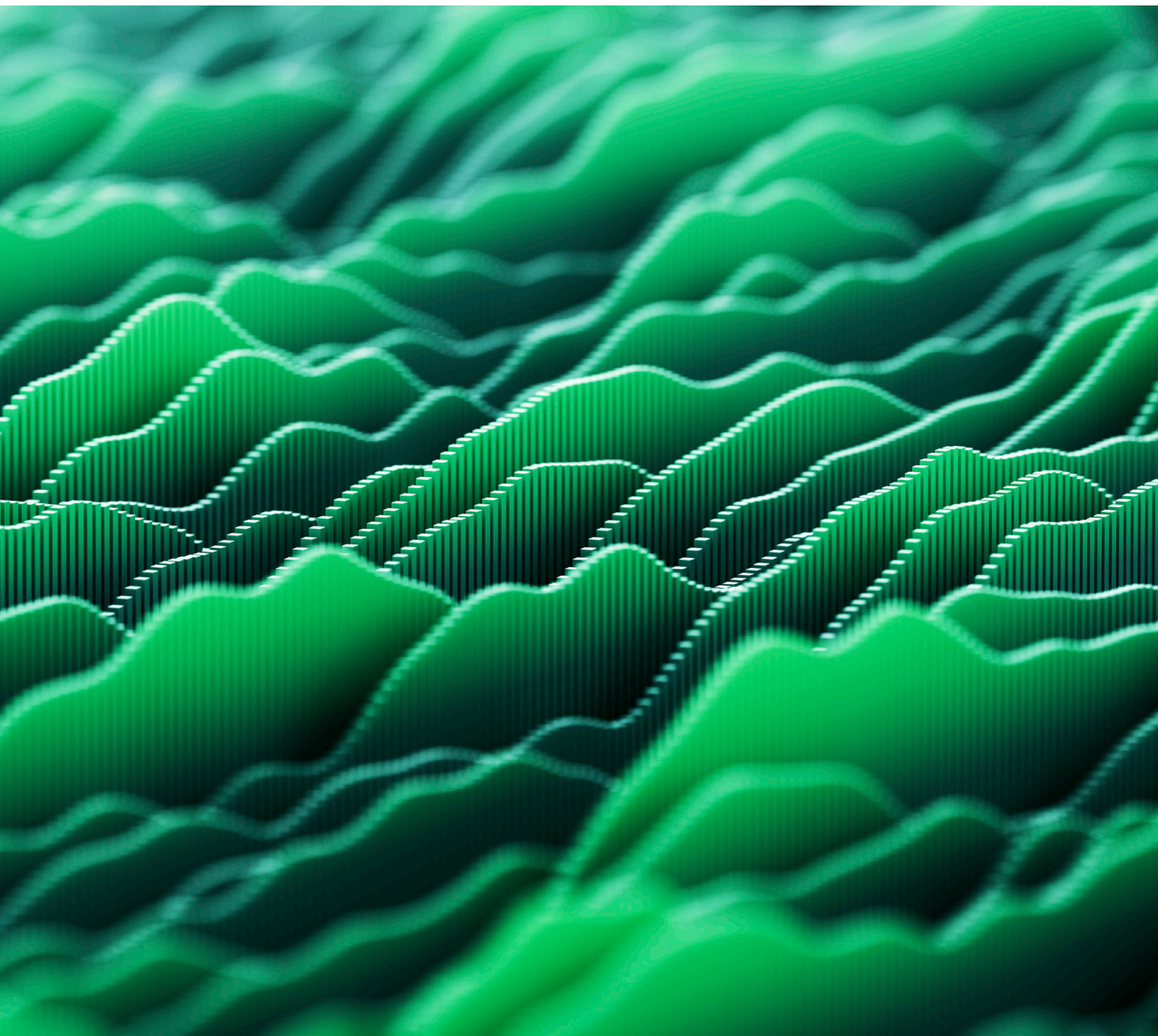
At the corporate level, our Sustainability, Legal and Compliance, Product and Risk Management teams collaborate to monitor ESG regulatory development requirements to ensure that relevant procedures and approaches meet these requirements. The Sustainability and Business Management teams monitor the operational carbon footprint and develop action plans to meet internal targets related to market, reputation, technology, and physical risks.



Responsible investing



Integrating ESG considerations in our investments



We believe that key ESG issues such as climate change have financial impact on the value of an investment. Therefore, we are convinced that integrating ESG in investment analysis and decision making creates value, supports risk management and brings about better long-term risk-adjusted returns for clients.

Fullerton has been a PRI signatory since 2020 and a supporter of the Taskforce on Climate-related Financial Disclosures (TCFD). In addition, we refer to the latest sustainability standards and guidelines such as IFRS S1 and S2, which relate to sustainability disclosures and include both historical and forward-looking considerations in our investment research. Further, we assess material ESG issues systematically and have targeted metrics for climate-related factors.

ESG integration has been applied to all public investment funds managed by Fullerton, including equity, credits and sovereign holdings. For segregated accounts with specific investment mandates, the extent and nature of the ESG integration are bespoke and based on the client's needs. For private market investments, we have adopted ESG due diligence tools and questionnaires on the General Partners of our Fund of Funds ("FoF") and selected private equity investments.

As of 31 December 2024, Fullerton's total AUM amounted to USD 40 billion. Except for ETFs, externally managed funds, commodities, cash and derivatives, we have adopted ESG integration in all other investments, which accounts for above 80% of the total AUM.

Our ESG integration approach

We integrate ESG and climate-related factors throughout the investment process, from research and analysis, portfolio construction, to monitoring and active ownership. The process is safeguarded by relevant policies and KPIs, and governed by the Sustainability Committee, Executive Committee and Risk and Compliance Committee. For enhanced transparency, we report our progress and plans on responsible investment via PRI and upon clients' request. We use both top-down and bottom-up approaches to identify ESG risks and opportunities and analyse the impact through various quantitative and qualitative method as appropriate. These assessments form the basis for our investments and ESG-related strategies.

In 2024, we published the Responsible Investment Policy, which articulates in depth how ESG considerations are integrated in our investment portfolios, and consolidates the ESG Integration Policy, Active Ownership Policy and Proxy Voting Policy into one main policy document.

Fullerton believes active ownership is one of the most effective mechanisms to minimise risks, maximise returns and create positive impact on society and the environment. Therefore, Fullerton actively engages with the companies as stewards and votes shares in the best interest of clients.

Fullerton's Active Ownership process comprises three main components: our engagement efforts on portfolio companies, proxy voting and exclusion approaches. Fullerton's stewardship activities are executed within the organisation and not outsourced to external parties.

Our proprietary ESG assessment framework applies to all asset classes we manage, excluding ETFs, externally managed funds, fixed term funds, commodities, cash and derivatives. For equity and corporate fixed income, we assess and identify the level of ESG-related risk from "negligible risk" to "severe risk" which a company is exposed to. For Sovereigns, we assess

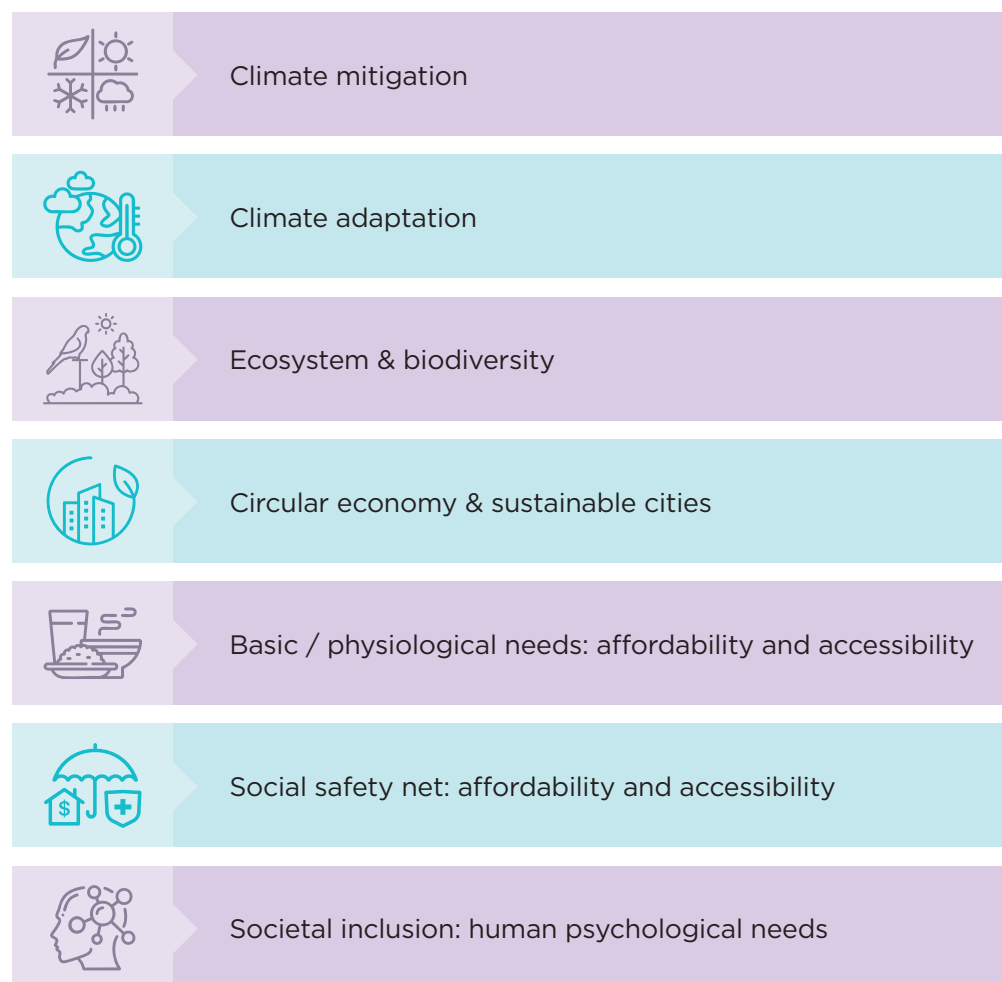
country-level ESG indicators and assign country ratings. For Multi-Asset portfolios, the ESG risk is inherited from the relevant equity and fixed income sleeves at the security level. The research is powered by third party data sources and information from portfolio companies. For Alternatives, we conduct ESG Due Diligence for Fund-of-Funds (FoFs) using a standardised questionnaire and ESG assessments for each applicable direct investment deal. Ratings are validated by Fullerton's Sustainability team and the rationale and evidence are documented. Based on the ESG rating, we have set limits on total ESG risk exposure at the portfolio level for equities and fixed income. For FoFs, General Partners (GPs) with the lowest rating will have limits in the total portfolio by invested cost.



Developing sustainability product strategies

Investment themes

Fullerton has identified four environmental and three social-related investment themes for our product ideation.



Our suite of sustainable investment strategies has expanded over the past few years, with the introduction of Fullerton's suite of ESG alpha portfolios. The ESG alpha strategies have incorporated ESG rating criteria along with a proprietary sustainable solutions framework based on the Sustainable Development Goals ("SDGs"). These strategies aim to achieve long term capital growth by investing in companies with strong or improving ESG performance.

SUSTAINABILITY INTEGRATED

SFDR Article 8 products

- Global Norms exclusion
- Limited investment in issuers with high or above ESG risks
- Limited investment in issuers in high-emitting subindustries with worst performance in terms of carbon intensity

SUSTAINABILITY FOCUSED

ESG Equity products

- Global Norms & Controversial business activities exclusion
- Idea generation using sustainable solution themes
- Focus on good / improving ESG issue management with corporate engagement as a tool
- Exclude companies with severe ESG risks

TOWARDS IMPACT

Fullerton Carbon Action Strategy

- Global Norms & Controversial business activities exclusion
- Idea generation focusing on decarbonisation drivers
- Value creation via ESG issue management
- Avoid companies with severe unmitigable ESG risks

As of 31 August 2025, Fullerton offers a suite of SFDR Article 8 products, including four Equity funds, four Fixed Income funds, and one Private Equity fund. These funds are designed to promote environmental and/or social characteristics by investing in companies that adhere to robust sustainability practices.

To measure the environmental and social objectives, sustainability indicators are employed. For the Equities and Fixed Income SFDR Article 8 products, ESG characteristics and High Emitting and Tardy (“HEAT”) exposures are systematically tracked.

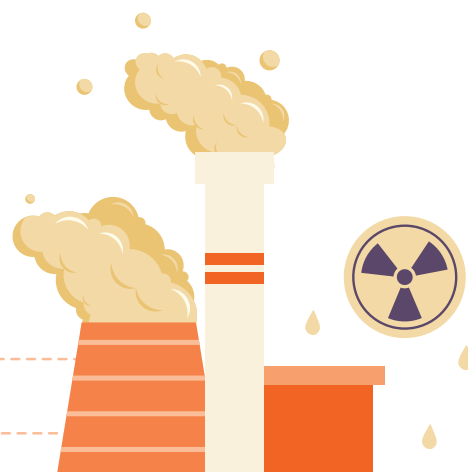
SFDR Article 8 products

ESG characteristics

Invests at least **51%** of its assets in securities of companies with favourable ESG characteristics.

HEAT exposure

HEAT companies are **high-emitting entities with the worst carbon intensity performance** within their sub-industries, based on disclosed corporate data. Outliers are identified using statistical methods, and portfolio limits are applied to the funds’ exposure to these HEAT companies.



ESG Equity products

We believe that companies with robust sustainability practices demonstrate greater resilience over time. Sustainable investing broadens the scope of traditional investing by incorporating ESG factors to better assess long-term valuation growth potential.

In addition to ESG integration across asset classes, Fullerton manages ESG funds and client-led ESG mandates. Our ESG funds consider stocks of companies identified as Sustainable Leaders/ Improvers, and Sustainable Solutions. These strategies utilise the extensive research capabilities of Fullerton’s Investment (equity) and Sustainability teams to select high-quality companies for sustainable growth.

At the start of 2024, we inceptioned a relative return Global ESG Equities fund in collaboration with Temasek’s Quantitative Strategy team. The strategy primarily invests in global equities, combining the best of bottom up ESG ideas from Fullerton’s Equity and Sustainability team with the ESG signals developed by Temasek’s Quantitative Strategy team.

Fullerton Carbon Action Strategy

The Fullerton Carbon Action Strategy (“the Strategy”), launched in 2024, aims to support the carbon net zero agenda and achieve long-term capital growth by investing in companies committed to decarbonisation. It targets sectors poised to deliver both financial and decarbonisation outcomes, including energy, manufacturing, construction, industrials, agriculture, and transportation.

In partnership with the United Nations Development Programme, we have developed a Sustainability Management Framework to assess and optimise decarbonisation efforts in Asia.

Active ownership

Engagement approach

High-quality engagements allow us to develop a more informed view of the portfolio companies we invest in and the way they operate. We also communicate our concerns and expectations during the engagement process to potentially influence the long-term performance of the company and quality of investments for our clients.

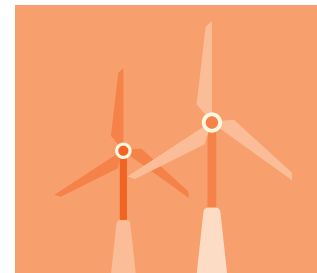
The investment and sustainability teams actively monitor ESG performance of portfolio companies and carry out controversies engagement and value creation engagements, when deemed necessary.

In 2024, we enhanced the depth of engagement and focused on key portfolio companies that may have higher ESG risks or more potential opportunities. Engagement priorities were set from the perspective of reputational risk management, potential ESG alpha and improvers, as well as overall risk management. Two of the most important categories of engagement were controversies engagement and high emitters. The former focuses on companies that severely and structurally breach minimum behavioural norms in areas such as UN Global Compact principles, while the latter focuses on climate change, especially transition risks.

Our investment team engaged with 50 companies across 13 countries, in 2024. These companies spanned 12 different sectors, with materials, utilities, and industrials being the top three sectors with the highest engagement levels. The three main themes discussed were climate change, biodiversity and labour rights. Specifically, 80% of the engagements touched on climate change, 38% on biodiversity, and 30% on labour rights. Our engagement outcomes feed into our ESG rating, financial modelling and portfolio construction process.

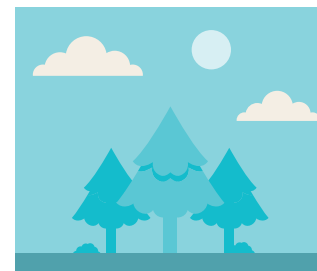
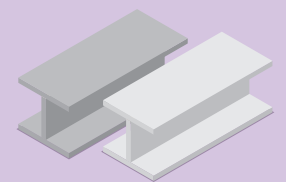
We actively work with investor associations such as PRI, AIGCC, Climate Action 100+ and Asia Research & Engagement (ARE), where we conduct collaborative engagements via these platforms where applicable. We also engage in public policy, participating in MAS consultations in relation to sustainable finance and its regulatory development.

Notable engagement initiatives



Co-leading a collaborative investor engagement with a Chinese power company to assess the renewable development progress and plans

One-on-one and collaborative investor engagements with multiple steel companies in Asia to assess the pace of transition in the sector



Engagement with a conglomerate business in Asia on ESG governance including on biodiversity conservation and management

Proxy-voting

Our investment team recognises their fiduciary responsibility to exercise voting rights and acknowledge that voting decisions can impact the value of investments. As minority shareholders practising active ownership, we will exercise our right to vote in shareholder meetings to influence company governance and other relevant investment related decisions in the best interest of our clients, in line with our proxy-voting strategy.

Our guiding principles in the proxy-voting process are shown here:

Board Independence

Boards should be capable of exercising independent judgements and avoid conflicts of interest.

Board Composition

Boards should contain an appropriate balance of competences and backgrounds.

Board Accountability

Boards should be held accountable for the outcomes of their decision.

Auditor Independence

The external audit process should be independent and free from conflicts of interest.

Information Rights

Company disclosures should be sufficient and timely to inform stakeholder decision-making.

Fair and Equitable Shareholder Treatment

Shareholders should be consulted on fundamental changes and be empowered for active ownership.

Environmental & Social ("E&S") Issues

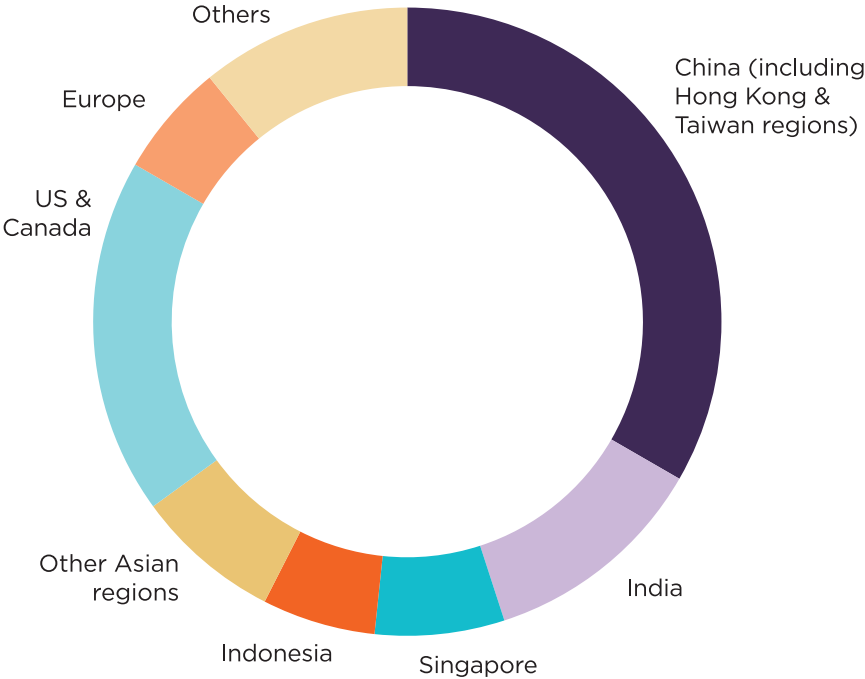
Companies must understand the risks arising from their E&S footprints, and conversely, how exogenous E&S phenomena can affect the company materially.



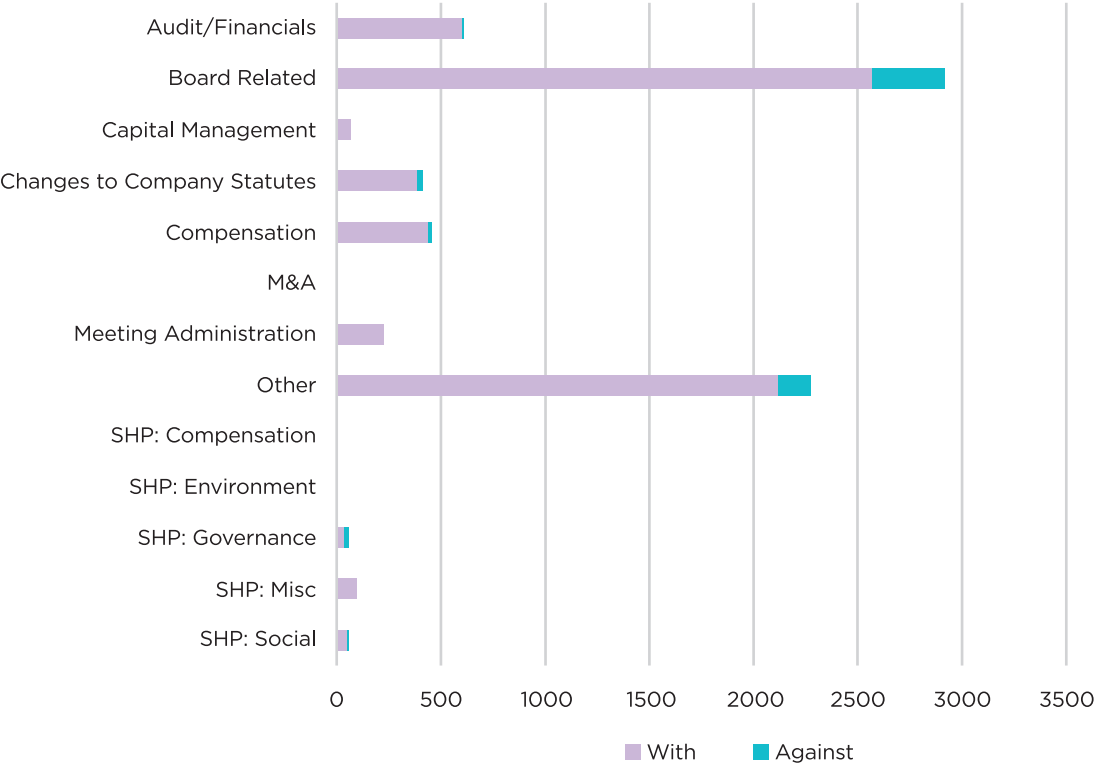
In 2024, Fullerton voted on 7,265 proposals across 697 meetings, comprising 6,985 management proposals and 280 shareholder proposals (“SHP”). We voted against management on 9% of the management proposals and 27% of the SHPs.

2024 voting activity

Proxy voting meetings by country



Proposals



Exclusion

We evaluate potential investments comprehensively, considering severe controversial behaviour that breaches international norms such as the UN Global Compact, in line with local laws and regulations.

We also monitor the ESG performance of our existing portfolio companies. If a breach is detected, we will conduct a fact-check and initiate a controversies engagement with investee management. If this does not lead to desired changes within a stipulated timeline, we will escalate the issue and may potentially exclude the company from portfolios.

We exclude certain controversial business activities for ESG Equity products and the Fullerton Carbon Action Strategy. In addition, we apply the exclusion criteria of the EU Climate Transition Benchmark for the ESG labelled equity products.





Climate risks and resilience



As an Asia-based asset manager, Fullerton places high priority in addressing climate-related risks and identifying opportunities stemming from the energy transition. We recognise physical and transition risks as systemic threats to client investment performance and acknowledge the importance of incorporating these risks into our investment strategies, to protect our clients' long-term financial interests and align with their objectives.

Please refer to Appendix A for more information on our climate risk scenario analysis.

We published our first integrated Sustainability Report last year, and we adhere to the environmental risk management ("ENRM") Guidelines set forth by the MAS. Going forward, we will closely monitor the evolving sustainability disclosures including the IFRS S2 on enhanced climate-related disclosures.

At the investment level, we have set metrics and targets to better manage the financial impact from climate risks in our portfolios.

Metrics for climate change risk management at the investment level

Metrics	2024 Target	Achievements in 2024	2025 Target
ESG integrated AUM	Enhance and further implement ESG integration for private equity	Enhanced and implemented ESG integration for both direct investment and Fund of funds under Alternatives	Further enhanced the ESG integration methodologies and approaches to cover both public and private investments
Engagements on climate change	Focus on thematic engagements and follow up with the progress Prioritise using "HEAT" framework, entities that are laggards within high emitting sub-industries	80% of engagements in 2024 were on the theme of climate change "HEAT" companies were prioritised in 2024 active ownership activities	Focus on the companies with high climate risks and potential climate opportunities Continue to prioritise and follow up with "HEAT" companies

- ESG integrated AUM refers to the portfolios adopting ESG integration approach as mentioned in the Responsible Investing section.
- Engagements on climate change refer to those involving climate change issues with investee companies. The key emphases are on companies' decarbonisation and transition plans, efforts, progress and achievements. We also assess the credibility of companies' commitment to their mid to long term climate targets and hold companies accountable for their 2030 or 2050 decarbonisation roadmap.

Sustainable business operations



Environment



At Fullerton, we strive to operate responsibly. Sustainability is an integral element of Fullerton's corporate strategy, and this top-level commitment is overseen by our Board and Executive Committee. We acknowledge the significance of sustainable operations and pursue targeted strategies for the betterment of our environment, our people and the community.

In our ongoing commitment to responsible operations, we endeavour to manage our carbon footprint by adopting environmentally friendly practices at the workplace.

Energy management

Metric	Unit	2022	2023	2024
Purchased electricity	kWh ¹	193,193	192,554	178,810
Heating and cooling	kWh	18,297	23,865	15,298
Total	kWh	211,490	216,419	194,108

Our operational environmental reporting scope covers our offices in Singapore and China (Shanghai), as these are the main locations where we carry out our business activities. In 2024, the purchased electricity declined by 8.2% compared to the 2023 level while heating and cooling was reduced by 25.4%. This is driven by more energy-efficient facilities and energy-saving behaviours.

As we transition to efficient light-emitting diode ("LED") lighting, we continue to replace all faulty fluorescent office lighting with efficient LED lighting wherever feasible. We have also taken initiative to raise awareness of energy conservation of all staff and reduce unnecessary energy consumption.

1. Kilowatthour (kWh)

Operational emissions

We have tracked our carbon emissions since 2019, employing the methodologies and emission factors outlined in the Greenhouse Gas Protocol (GHG Protocol). The emissions data is reported as of 31 December 2024. Please refer to Appendix C for more information.

Due to Fullerton's business operations, we do not have any Scope 1 emissions since we neither own nor control any sources of direct emissions, such as company vehicles or the maintenance of air conditioning and refrigeration systems in our office buildings. We have added category 5 - Waste generated in operations in the reporting scope of 2024. Going forward, we will assess the readiness of reporting category 1 - Purchased goods and services, category 2 - Capital goods and category 15 - Investments. We will expand our scope of measurement and reporting as we refine our methodology and gather more reliable data.

Metric	Unit	2022	2023	2024
GHG emissions				
Scope 2 absolute emissions	tCO ₂ e ³	88.42	90.06	82.36
Scope 3 absolute emissions	tCO ₂ e	176.48	621.04	562.80

In addition to energy savings, we actively encourage the use of digital meeting solutions as an alternative to business travel. We continue to adopt a hybrid working style to manage emissions, enhance work efficiency and support work-life balance.



We advocate reducing, reusing and recycling in the office premises. Since 2024, we have ceased the provision of disposable paper cups to staff and only purchase printing paper that holds Forest Stewardship Council ("FSC") certification. We encourage our staff to use electronic versions of documents whenever possible to cut down on printing and recommend double-sided printing to maximise paper efficiency. In the Singapore office, we have a recycling station to facilitate the recycling of glass bottles, aluminum cans and plastic. We also have a waste classification system in both Singapore and Shanghai office. Corporate laptops and phones that can no longer be used will be dealt with in a responsible manner by a vendor with the designated certification to handle electronic waste.

2. Scope 3 category 4 is Upstream transportation and distribution. Scope 3 category 9-14 includes: 9) Downstream transportation and distribution, 10) Processing of sold products, 11) Use of sold products, 12) End-of-life treatment of sold products, 13) Downstream leased assets, 14) Franchises.

3. Tonnes of carbon dioxide equivalent (tCO₂e)

Sustainable procurement

In 2022, we launched the Sustainable Procurement Policy to maximise our carbon footprint throughout the supply chain. This policy directs the selection, management, and monitoring of key suppliers, mandating that all key suppliers and outsourced service providers complete ESG due diligence before onboarding. The assessment covers areas such as overall ESG policies and programs, ESG-related compliance, business ethics, environmental management and carbon reduction, human and labour rights. All major vendors meet our standards, demonstrating strong policies and management systems, with transparent disclosures that align well with our sustainability objectives.

Carbon credits

Since 2020, Fullerton has been using carbon credits to offset residual emissions, aligned with the emissions reported in this Sustainability Report, which currently excludes Scope 3 Category 1 and Category 2 emissions. Recognising the increasing scrutiny over the quality of these credits, Fullerton carefully selects offset projects that meet high standards. The company is dedicated to acquiring carbon offsets that are measurable, additional, and comply with international-recognised standards like the Verified Carbon Standard (VCS).



Business ethics

At Fullerton, we prioritise ethical conduct, recognising its importance to our success and reputation. We are committed to the highest ethical standards, prioritising our stakeholders' best interests, and ensuring compliance with local laws and regulations.

Our approach

Our robust risk culture means we place a strong focus on having effective internal controls through a comprehensive set of internal frameworks and policies designed to mitigate regulatory risk, potential conflicts of interest, and prevent the occurrence of fraud and financial crime.

These frameworks and policies include, but are not limited to:

- Anti-bribery and corruption (ABC) policy
- Anti-money laundering and countering the financing of terrorism (AML/CFT) policy
- Code of professional conduct and ethics
- Compliance manual
- Conduct framework
- Fraud risk policy
- Personal account dealing policy
- Whistleblowing policy



All internal frameworks and policies are accessible to all employees on our intranet. They are reviewed and updated regularly to ensure processes and controls remain robust and responsive to evolving business and regulatory requirements.

Promoting ethical conduct

We adopt a zero-tolerance approach towards misconduct. Our Code of Professional Conduct and Ethics provides guiding principles for the overall business and professional conduct of all staff, while the Conduct Framework articulates the standard of professional conduct expected of all employees.

We prioritise business ethics and the professional development of our staff and have implemented comprehensive training programmes to ensure all staff are well-versed in local rules and regulations related to fund management. New hires must complete a compliance induction which covers the expected standards of conduct per our Code of Professional Conduct and Ethics and includes the Anti-Money Laundering and Countering the Financing of Terrorism ("AML/CFT") training.

Our whistleblowing policy means that employees with any concerns or suspicions of misconduct can report them anonymously and without fear of retaliation, either orally or in writing, to their Department Head, respective Chief Officer, the Chief Legal and Compliance Officer (CLCO), the Audit and Risk Committee (ARC) Chairman, or the Chairman of the Board if the issue involves the ARC Chairman. All reports received are kept confidential and promptly investigated by the recipient.

To stay abreast of regulatory developments, our senior managers and material risk personnel are required to complete a specified number of training hours per year. This training focuses on role-specific competencies, risk implications, and standards of proper conduct. Our licensed representatives must meet annual Continuing Professional Development requirements to stay updated on industry developments and maintain professional competence.

Preventing Conflicts of Interests and Financial Crime

We maintain a zero-tolerance stance towards bribery, corruption, insider trading, money-laundering, terrorism-financing and fraud.

Our ABC policy provides clear guidelines for giving, offering or receiving gifts, and/or corporate hospitality, and prohibits bribes and facilitation payments of any kind. We expect our staff and business partners to share our zero-tolerance policy against corruption and bribery, and ensure the inclusion of specific anti-bribery and anti-corruption clauses in our agreements and contracts where required.

Insider trading is strictly prohibited and all employees must adhere to the Personal Account Dealing Policy. Transactions in certain financial instruments require prior approval, which will not be granted if the financial instrument is on the restricted list. Any employee who thinks that they may have become an “insider” must immediately inform the Compliance team, and the security will be placed on the restricted list until the information has been made public, i.e. trading is not permitted until further notice. Any non-compliance can result in disciplinary action in accordance with the Employee Management Framework. The Compliance team routinely reviews staff transactions to detect potential violations.

Our AML/CFT framework is key to managing the risks associated with money laundering and terrorist financing. Our policies and procedures align with the Financial Action Task Force recommendations and outlines programmes in place, including risk assessment, training, customer due diligence, transaction monitoring and suspicious transaction reporting.

Our approach to fraud risk management encompasses controls to prevent, detect and respond to fraud. The Control Group (encompassing Compliance, Legal and Risk departments) conducts appropriate second-

level checks to manage fraud risk, while our auditors independently evaluate Fullerton’s control environment and governance processes in managing financial crime risks.



Transparency and fair advice for customers

Fullerton is committed to the fair treatment of customers, a principle that is deeply embedded in our organisational culture. We uphold a zero-tolerance policy for unfair or adverse customer outcomes and are dedicated to providing excellent service and support.

Policy and standards

To maintain transparency and deliver fair advice for customers, Fullerton has established robust policies, including but not limited to the following:



Client management policy

This policy establishes the minimum standards for our interactions with clients and customers, ensuring that our governance and oversight arrangements for products and services are in full compliance with regulatory standards. The policy includes Fullerton's approach to meeting Fair Dealing Outcomes as set out in MAS' Fair Dealing Guidelines.



Client complaint handling policy

This policy ensures an independent, effective, and prompt resolution of client complaints, in alignment with the MAS' Guidelines on Fair Dealing and the Investment Management Association of Singapore's ("IMAS") Code of Ethics and Standards of Professional Conduct.



Policy on promotional materials

This policy mandates that all promotional materials must be reviewed and approved by our Compliance team prior to distribution. This process helps safeguard against regulatory, legal, commercial, and reputational risks.

Investment suitability

We are focused on the delivery of excellent service standards and fair treatment to our customers. Customers are attended to by competent and qualified representatives, to ensure that they receive quality advice.

We prioritise recommending suitable investments for each client based on their specific circumstances. Our assessment considers key factors such as the client's understanding of the product, eligibility, and completion of customer due diligence. For pooled funds, we ensure that offerees meet the criteria for suitable investors as defined under the Singapore Securities and Futures Act and other applicable regulations.



Caring for our people and the community



Diversity and Inclusion

Fullerton is dedicated to fostering a workplace where every individual is respected and valued. Our core values guide our internal policies and processes, ensuring a fair and merit-based organisation. We implement non-discriminatory practices to create an environment where employees feel safe in speaking up.



Our employment practices

Our employment practices conform to the Tripartite Guidelines on Fair Employment Practices (TGFE). These principles, policies and processes are translated into provisions in our employee handbook, which are reviewed and updated periodically to ensure they remain relevant. The handbook is readily accessible to all employees on the intranet, ensuring transparency and ease of reference. All employees are required to provide annual attestation confirming that they have read and acknowledged the contents of the handbook as published on the intranet.

To actively propagate the inclusivity theme within the Firm, we created opportunities for our colleagues to engage with the wider external community on the development of the inclusivity agenda. As a member of the Financial Women's Association of Singapore (FWA Singapore), we are part of a community seeking to develop, support and inspire our female colleagues in the financial industry as they progress in their career journeys.

In 2024, Fullerton had no incidents of discrimination reported within the workplace, further reinforcing our commitment to maintaining a discrimination-free working environment.

Today, our employee profile is well-balanced in both gender and age diversity, with a gender mix of 52% male and 48% female. Our senior management is 63% male and 38% female. We continue to embrace diversity while ensuring a fair and meritocratic workplace.

Fullerton's diversity representation profile

Gender representation across organisational levels

Board	Executive Committee	Firmwide
75%	63%	52%
25%	38%	48%

Firmwide gender and age group distribution

< 30 years	31 - 50 years	> 50 years
55%	51%	53%
45%	49%	47%

Supportive workplace

We recognise that a supportive workplace is necessary for employees to be able to thrive at work. In this regard, our focus has been on employee well-being, professional development and inclusive culture.



Supporting Work-Life Integration

As an asset management company, our work schedules are tied to global market operating hours. Hence, this may lead to irregular working hours for employees who may suffer from burn-out and fatigue while trying to balance work and personal lives. In recognition of this, Fullerton enhanced the Flexi-work arrangement policy by implementing Flexi-Hours. With this, official working hours were removed and replaced with flexible working hours. This allowed employees some flexibility to manage their personal life with work while accommodating different working needs and created positive employee perception without compromising productivity or collaboration.



Well-Being Framework

Fullerton's well-being framework comprises of 4 pillars:

1) Physical Well-Being

On physical well-being, ground-up initiatives led by various interest groups ensured active participation in sporting activities such as football and badminton on a regular basis. Activities were organised by employees and funded by the Company. Pilot sessions such as Yoga were also organised to offer alternatives to employees to explore. Such ground-up initiatives create opportunities for colleagues to connect after work while keeping fit.

2) Social Well-Being

On social well-being, multiple events were organised throughout the year to foster greater connections at the workplace, such as the lunar new year celebrations, corporate sustainability activities at our Fullerton Spice Garden and the year-end event which saw the largest employee participation across all years.



3) Mental Well-Being

On mental well-being, numerous lunch and learn mini workshops were held during lunch hours, to provide employees with bite sized and simple to understand tools and tips on how to manage their overall emotional state.

4) Intellectual Well-Being

On intellectual well-being, lunch and learn brown bag sessions were also organised during lunch where subject matter experts from the investment teams shared technical topics with the broader employee base to highlight our Funds as well as developments within their different asset classes.



Professional Development

Learning is a key part of sustainable practice because it empowers our employees to make informed decisions and take responsible actions that contribute to environmental, social, and economic sustainability for a more sustainable future.

As part of the focus on making training more accessible to our employees, we leveraged significantly on technology. Micro-learning, which was self-directed through our Go-1 learning platform allowed employees timely access to learning resources on a 24 x 7 basis. We also introduced an automated learning registration solution to simplify the process for training registration and at the same time, allowed the Firm to be able to collect training data easily.



In 2024, our employees clocked over

2,643

training hours

(excluding micro-learning through the Go-1 platform)



Corporate sustainability workgroup

At Fullerton, we are committed to integrating sustainability into our business practices, fostering a culture of environmental and social responsibility, and creating meaningful impact in our communities.

Fullerton formed the Corporate Sustainability Workgroup in January 2024 to drive the firm's sustainability agenda. Chaired by the Head of Marketing, the workgroup includes representatives from Marketing, Sustainability, Risk, Human Capital, Corporate Strategy, and Operations. The workgroup holds monthly meetings to conceptualise, strategise, and implement firmwide initiatives that promote:

Socially responsible initiatives that enhance community engagement and workplace well-being

Sustainability communications to position and promote Fullerton in the sustainability space

Environmentally responsible practices across the firm



Corporate sustainability activities

To achieve these objectives, Fullerton introduced initiatives in 2024 that reinforce our commitment to sustainability:

Community Chest's Habuan Harapan 2024

Community Chest's inaugural Habuan Harapan campaign brought festive cheer to underprivileged families during the Hari Raya Puasa period through the provision of essential household items. The campaign saw strong support from staff and the firm, with monetary donations amounting to \$10,800.

A team of 12 staff volunteers packed and delivered over 240 care bags, helping to uplift communities in need and share the spirit of the season. The initiative reflects a continued commitment to supporting vulnerable groups and fostering a culture of giving.



Sustainable Living Month

Fullerton held its inaugural Sustainable Living Initiative in the month of April 2024, to educate and encourage our people to adopt sustainable lifestyle practices. We delved into various themes, from the Fullerton Green Corner and Our Road to Net Zero, to Energy Conservation, Food Resilience, and Waste Management.

In total, Fullerton recorded a total of 218.5 staff engagement hours for the Sustainable Living Month. The Fullerton Green Corner initiative also enabled the lifespan of 478 pre-loved and new items to be extended under another owner, with an estimated 1450 CO₂e of carbon emissions avoided.



Lunch & Learn Sessions

To deepen awareness and knowledge of sustainability topics, Fullerton conducted four Lunch & Learn sessions in 2024:

8
March

Propagating and Planting workshop with City Sprouts

24
April

Food Resilience in SG -
What does it mean to me?

10
July

How is Singapore planning to meet
its carbon target and the role of
nature-based solutions

5
September

Edible insects as an alternative
protein source

In total, **262.5** staff engagement hours were clocked from the Lunch & Learn sessions.





Fullerton Spice Garden

At Fullerton, we seek innovative ways to contribute positively to our community and environment while engaging our people in meaningful activities.

The Fullerton Spice Garden — a lush, vibrant green space in West Coast Park — officially opened on 1 June 2024, as part of the City Sprouts@West Coast initiative.

The unique green space features a spice garden showcasing locally grown herbs and spices essential to Singapore's heritage, such as ginger, torch ginger, curry, laksa, pandan, holy basil, bamboo orchid, mint, chili and wild pepper. This 500 sq ft space is open to the public, offering a chance to connect and learn about local produce. In addition, a 500-sqft greenhouse provides an ideal environment for nurturing seedlings, engaging in horticultural practices and educational workshops that will feature herbs and spices harvested from the garden.

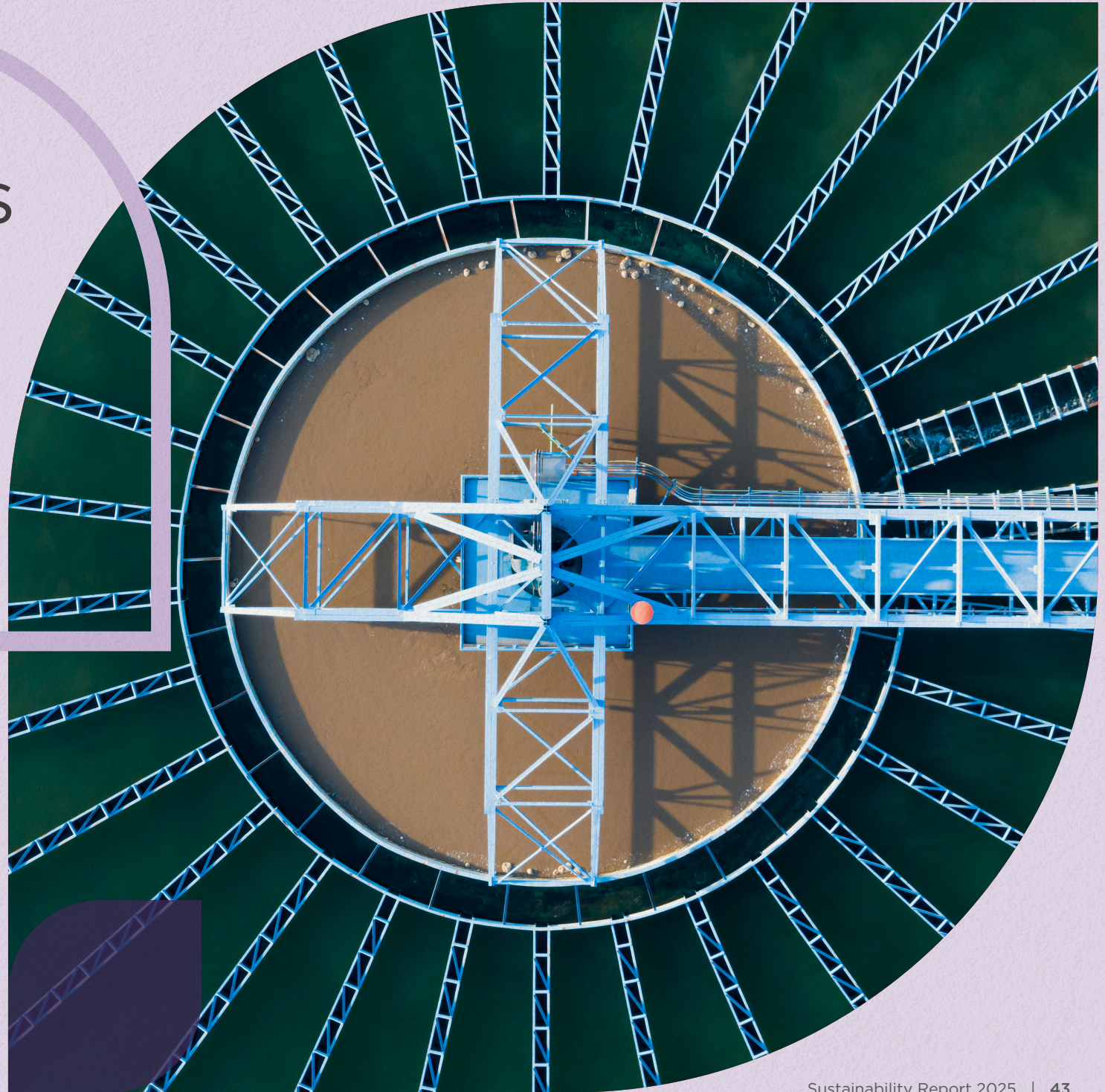
The Fullerton Spice Garden serves as a platform to:

- **Support community engagement:** The garden and greenhouse serve as hubs for interaction and learning. We will also host workshops and educational sessions, bringing volunteers and beneficiaries together, including hands-on gardening tutorials and farm-to-table activities.
- **Encourage volunteering amongst our people:** The garden also provides a fun and important avenue for Fullerton staff to volunteer, fostering personal growth while making a positive impact on the community.
- **Raise awareness on local produce and green urban spaces:** By showcasing diverse herbs and spices, the garden encourages appreciation for local produce and inspires a connection with the natural world.

Impact Report of Fullerton Spice Garden (June – Dec 2024)



Appendices



Appendix A: Climate risks and opportunities and scenario analysis

I. Summary of Climate risks and opportunities in Investments

Risk type	Description of risks and opportunities	Impact	Time horizon*	Financial impact	Mitigation strategies
Transition: Policy and Legal	• Mandates or requirements on climate-related risks management and metrics reporting on investment level • Carbon pricing mechanisms affecting portfolio companies, potentially impacting their financial performance • Regulations concerning products and services, including fund taxonomy, marketing materials, process management, and information disclosure	• Increased data and operational costs to meet requirements • Higher costs due to the potential need for specialised ESG compliance personnel • Increased cost due to compliance with regulations and additional fund/ investment relating to carbon assets of portfolio companies • Potential asset write-offs for portfolio companies	Short term	High	• Subscribe to a specialised carbon data provider for company level analysis within portfolios • Start reporting on portfolio level Scope 1 and Scope 2 carbon emissions intensity • Hire consultants to help us understand how to comply with regulations where appropriate • Conduct internal ESG analysis and engagement to better inform Fullerton about the risks faced by portfolio companies • Assess and gradually incorporate carbon costs into our Company's financial models for jurisdictions with high carbon compliance costs
Transition: Market and Reputation	• Stakeholders' concerns about the systemic risks related to climate change in investment products and services • Stakeholders' preference for greener products and services with transparent disclosure	• Decreased demand for products and services that do not consider climate change risks	Short term	High	• Increase transparency of our investment products by providing comprehensive ESG reporting • Enhance our ESG integration approach and management to avoid 'greenwashing' • Develop and launch ESG products to meet shifting appetites • Extend the engagement with portfolio companies to disclose and manage climate-related risks

* Short term - within five years; medium term - five to ten years; long term - more than ten years.

Risk type	Description of risks and opportunities	Impact	Time horizon*	Financial impact	Mitigation strategies
Transition: Technology	- Portfolio companies' use of more energy efficient technologies - Portfolio companies transitioning to renewable energy - Portfolio companies' shift towards a more sustainable product mix	- Reduced operating costs for portfolio companies due to energy saving and self-generated renewable power - Better competitive position in the market and increased revenue of portfolio companies	Short term	High	- Subscribe to specialised ESG datasets to enhance integration across portfolios and understand the financial impact from a technological and innovation perspective - Develop and launch specialised ESG funds on technology utilisation and innovation - Seek out leaders in the low carbon transition space by conducting company level ESG analysis and engagement, as well as ESG thematic research
Physical: Acute	Increased occurrence of extreme weather events	Disrupt operations of portfolio companies	Short-to-medium term	Medium	Engage with selected portfolio companies that are vulnerable to physical risks
Physical: Chronic	- Longer-term shifts in climate patterns such as rising temperatures - Rising sea levels	- Disrupted access to water and food and thus affecting employee health and productivity of portfolio companies - Possibility of choosing new locations for business operation of portfolio companies	Long term	Low	Engage with selected portfolio companies that are vulnerable to physical risks

* Short term - within five years; medium term - five to ten years; long term - more than ten years.

II. Summary of climate risks and opportunities at the corporate level

Risk type	Description of risks and opportunities	Impact	Time horizon*	Financial impact	Mitigation strategies
Transition: Policy and Legal	- Requirements on climate-related risks management and metrics reporting at the corporate level - Regulations of fund management	- Increased data and operational costs to meet requirements - Increased specialised ESG compliance headcount and cost - Possible asset write-offs - Possible accelerating retirement of existing funds	Short term	High	- Internal corporate level climate reporting started in 2020 and has been published publicly since 2022 - Keep abreast of ESG related regulations and developments in markets that may be relevant to our Company and funds offered and be part of Singapore industry consultations to reflect our suggestions and better understand the regulations - Hire consultants to help us understand how to comply with regulations where appropriate - Explore datasets needed to comply with regulations
Transition: Market and Reputation	- Stakeholders' concern on the climate change impact on operations - Stakeholders' willingness to collaborate with greener institutions with high environmental awareness and ethical standards	Decreased AUM if we fail to assure stakeholders of our climate-related commitment and ability to mitigate climate change risks	Short term	High	- Set action plan to reduce carbon footprint on the operational level - Offset operational GHG emissions since 2020 - Released Sustainable Procurement Policy and collaborate with key vendors to reduce carbon footprint on supply chain
Transition: Technology	- Use of more energy efficient technologies - Use of low-carbon economy technologies	- Reduced operating costs on energy use - Reduced need for travel and relevant expenses	Short term	Medium	- Encourage technologies, equipment, and behavior with low carbon emissions - Use virtual meeting platforms and tools; actively monitor and reduce need for travel

* Short term - within five years; medium term - five to ten years; long term - more than ten years.

Risk type	Description of risks and opportunities	Impact	Time horizon*	Financial impact	Mitigation strategies
Physical: Acute	Increased occurrence of extreme weather events	- Disrupted internet connectivity due to damage on infrastructure - Diminished ability for employees to work if offices, residences, or transportation are hit	Short-to-medium term	Medium	Design remote working contingency plan
Physical: Chronic	- Longer-term shifts in climate patterns such as rising temperatures - Rising sea levels	- Affect access to water and food and thus affecting employee health and productivity - Possibility of choosing new office locations	Long term	Low	Conduct risk assessment for choosing office location

* Short term - within five years; medium term - five to ten years; long term - more than ten years.

III. Climate risk scenario analysis

We have completed our fourth climate risk scenario analysis to help us understand the potential risks and opportunities and to guide our climate-related strategies. The analysis incorporates updated findings, development and assumptions. We will evolve our approach as more reliable and accurate data and advanced tools become available.

Overview of process

- Identify key transition and physical risks to Fullerton.



- Choose appropriate scenarios.
- Understand the assumptions and estimations for the scenarios used.
- Decide on the time frames used for scenarios.



- Decide the data input.
- Conduct impact analysis.
- Apply the results to Fullerton's strategy planning.



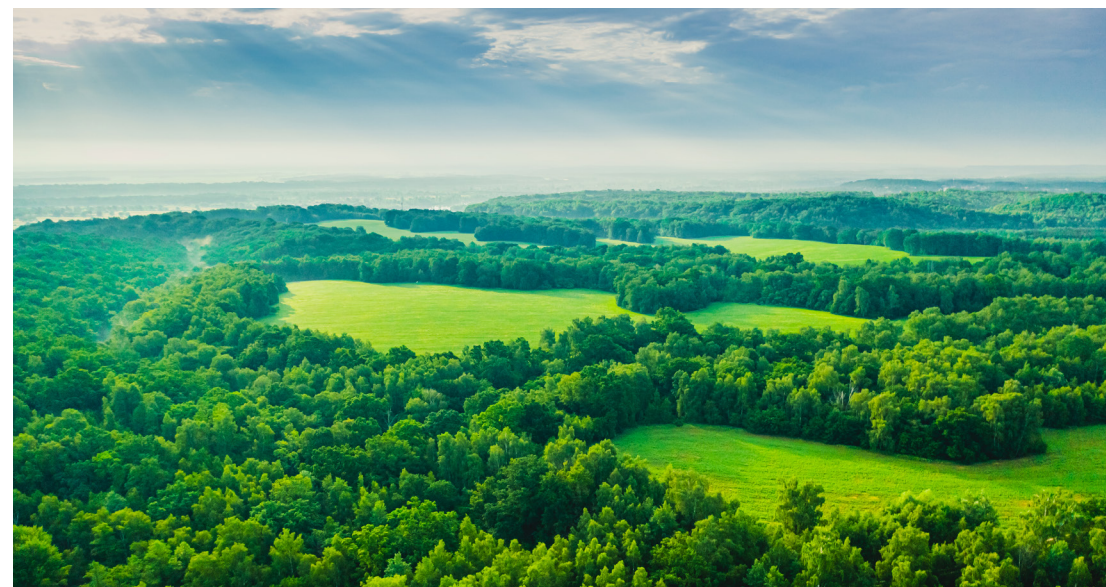
Identification of key risks

As outlined in Appendix A in this report, we have identified both transition risks and physical risks at the corporate level and investment level. As an asset manager, we put more focus on the impact on investment side.

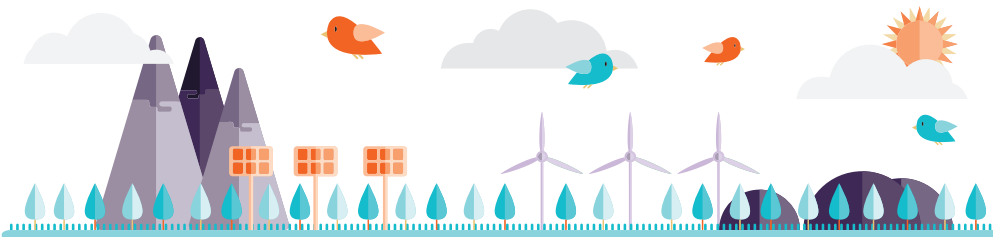
Choice of scenario used

This year, we continued to use the Network for Greening the Financial System ("NGFS") set of scenarios for our analysis, as we believe the global coverage and integrated assessment of risks of NGFS suite of models can finely meet our purposes.

Considering the consistency and comparability, we use the same scenarios as previous years. The definitions are provided by the NGFS⁴.



4. Details and assumptions from [NGFS Scenarios Portal](#)



Hot House World – National Determined Contributions:

Nationally Determined Contributions (NDCs) includes all pledged policies even if not yet backed up by implemented effective policies. This scenario assumes that the moderate and heterogeneous climate ambition reflected in the conditional NDCs at the beginning of 2024 continues over the 21st century (low transition risks). Emissions decline but lead nonetheless to 2.3 °C of warming associated with moderate to severe physical risks. Transition risks are relatively low.

Disorderly – Delayed Transition

Delayed Transition assumes global annual emissions do not decrease until 2030. Strong policies are then needed to limit warming to below 2 °C. Negative emissions are limited. This scenario assumes new climate policies are not introduced until 2030, and the level of action differs across countries and regions based on currently implemented policies. The availability of CDR technologies is assumed to be low pushing carbon prices higher than in Net Zero 2050. As a result, emissions exceed the carbon budget temporarily and decline more rapidly than in Well-below 2 °C after 2030 to ensure a 67 % chance of limiting global warming to below 2 °C. This leads to both higher transition and physical risks than the Net Zero 2050 and Below 2 °C scenarios.

Orderly – Net Zero 2050

Net Zero 2050 limits global warming to 1.5°C through stringent climate policies and innovation, reaching global net zero CO₂ emissions around 2050. This scenario assumes that ambitious climate policies are introduced immediately. CDR is used to accelerate the decarbonisation but kept to the minimum possible and broadly in line with sustainable levels of bioenergy production. Net CO₂ emissions reach zero around 2050, giving at least a 50 % chance of limiting global warming to below 1.5 °C by the end of the century, with limited overshoot (< 0.2 °C) of 1.5 °C in earlier years. Physical risks are relatively low, but transition risks are high.

We refer to a third-party data vendor for a dataset for the modelling. The modelling of the data vendor consists of four components: scenario pathways, economic shocks, asset value streams and financial impacts.

Impact analysis

We used our actual firmwide holdings as of 31 December 2024 to conduct the analysis for public market investments, excluding alternatives, funds, bills, cash and derivatives. For private market investment, we did the analysis for specific companies which fall under non “low risk” subindustry of Fullerton Carbon Action Fund.

The model and analysis incorporate the updates in the 2024 version (version 5) of the NGFS, including key assumptions such as GDP projections, carbon price, energy mix, demand and price of commodities and energy, GHG emissions, etc.

This year, we additionally considered the impact from macroeconomic shock. As part of its Phase V scenarios, the NGFS has estimated shocks to Gross Domestic Product (GDP) using the National Institute Global Econometric Model (NiGEM) macroeconomic model, which assessed the relationship between increases in temperature and changes in GDP. This would help us better understand the impact from physical risks on macro level. In this model, adaptation is not explicitly covered by the damage function. Typically, the distribution of GDP impacts is highly skewed towards the most severe disasters. Emerging market and developing economies are more vulnerable.

We also further looked at the impact brought by the upstream value chain to assess the indirect exposure to climate risks. In some cases, though some of the supply chain costs can be passed through to the customers, it's hard to abate completely.

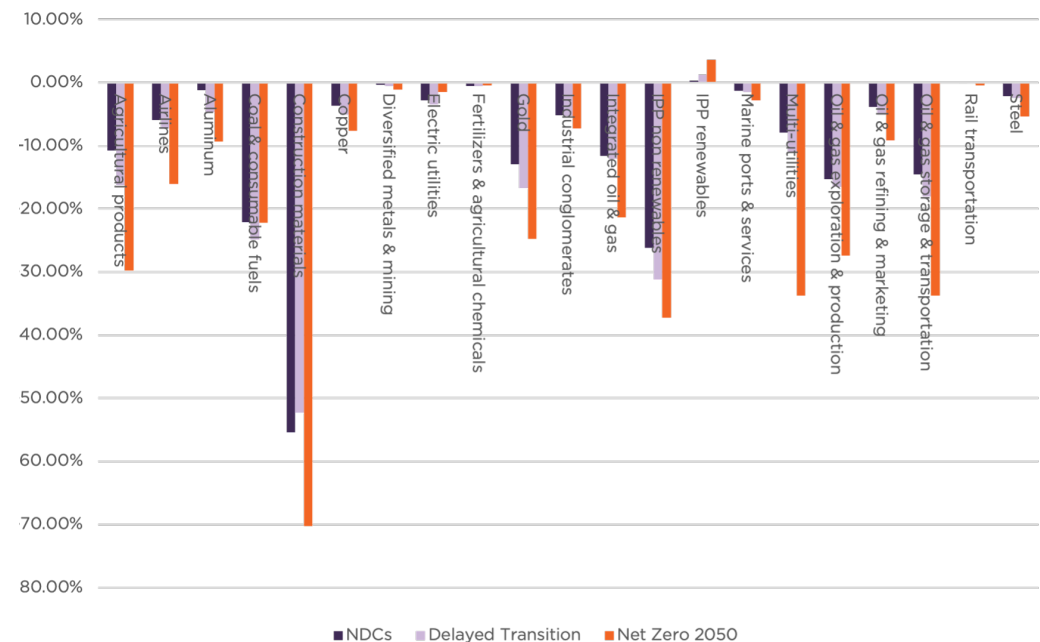
Impact on public market investments

This year, the overall negative value impact on public markets was decreased to below 2% under all three scenarios, thanks to improvements in sovereigns and Equities.

On sovereigns and supranational bonds side, over 80% of the longer tenured bonds (mature after 2030) in our portfolio are issued by Singapore. Under Net Zero 2050 scenario, Singapore has a higher GDP expectations and good climate risk management. This will result in a lower sovereign debt ratio and a lower default risk for sovereign bonds. However, due to the location and geographic characteristics, Singapore is expected to have more physical risks and experience more negative impact from macroeconomic physical shock, compared to the rest of the world, especially under NDCs and Delayed Transition scenario.

On corporate side, we emphasised on 21 high-emitting sub-industries with the highest Scope 1 and Scope 2 carbon intensity. All these sub-industries are included in EU ETS. Physical risks are more of a concern under NDCs scenario, as supply chain costs are higher under Net Zero 2050 scenario. Agricultural products & services, coal & consumable fuels, gold and industrial conglomerates were most negatively impacted by physical macro and supply chain risks (over 5% to nearly 20% combined under Net Zero 2050 scenario). These industries rely heavily on intermediate demand and/or are exposed to upstream activities with significant physical or transition risks.

Value impact on high-emitting sub-industries by 2050 (including physical macro and supply chain risks)



Our internal ESG risk evaluation is complementary. Typically, companies with good ESG management and performance are more resilient to climate change and are less negatively impacted, even facing more severe physical risks and rising carbon price.

These findings help set priorities for active ownership activities. We will prioritise the most climate vulnerable companies such as those with poor ESG management, within high-emitting industries, and are more sensitive to physical and transition risks or opportunities. We will discuss with the investee companies to see how they will mitigate the risks or seize the opportunities. We will also assess the credibility of their climate targets and trajectory and potentially do quantitative analysis on the impact on revenue, costs and margin.

Seizing opportunities from policies and market trends

Certain industries are strongly supported by governments' green transition policies and are expected to see market growth in certain period. We believe they are priced in and shall be reflected in the investment decisions.

CASE STUDY

An electric vehicles company

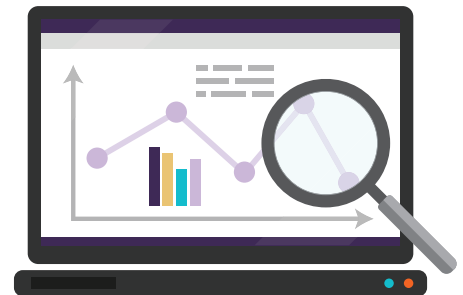
We believe that the portfolio company would benefit most until 2030 from demand creation. After 2030, the direct carbon cost is expected to rise greatly, especially under Net Zero 2050 scenario. We would then focus on how the company could mitigate carbon costs in operations and along the supply chain with low-carbon technologies and better management.

A mining company

The portfolio company would benefit most until 2030 from demand creation under Net Zero 2050 and NDCs scenario, thanks to the development of renewable industry, grid upgrade and industrialisation. After 2030, the decarbonisation plan of the company could help control the direct carbon cost and enhance the abatement capability, compared with other market peers.

Impact on private market investments

For private equity markets side, we start with a bottom-up company analysis based on internal due diligence, to identify climate-related risks and opportunities most likely to affect each company and its industry. We refer to the third-party data providers to identify the range of value impact for the industry and the region. We assess the company's ability to mitigate climate risks and leverage opportunities.



An Indian company

The company runs an AI-based mobility-tech platform providing employee transportation solutions for businesses, offering route optimization, fleet management, and real-time tracking. We estimate the value impact from climate risks by 2050 would range around -3% to -9% under different scenarios for the industry. The negative impact is mainly caused by direct carbon costs and physical risks. We expect the company to mitigate the risks via dynamic route adjustments using AI prediction, young fleet and EV expansion.



Application of the analysis

We have set an application plan based on the climate risk scenario analysis last year, which includes using active ownership to manage climate risks, combining with sustainable theme solutions to identify opportunities, and incorporating the results into financial modelling. We have reviewed the progress and made adjustments according to the new trends related to sustainability. This year, we will keep focusing on high-emitting companies, especially those with financial materiality from transition risks, and verify the investment themes and potential impact via active ownership activities. We will also highlight the climate risks from supply chain in our ESG assessment and stewardship. In view of the geopolitics and changing sustainability landscape, we will review the new sustainable themes to help investment idea generation.

Limitations of the analysis

Given the hypothetical nature of scenario analysis, there are inherent uncertainties and limitations involved. This exercise depends on a snapshot of external factors and uses a simplified model that highlights only the most significant and measurable elements. For instance, updates on country and industry commitments, policies and targets, as well as carbon pricing from relevant nations, aren't captured in real-time. Additionally, the direction and pace of technology development and commercialisation progress may be different from what's expected. The climate targets and action plans of the individual companies are not completely captured and may change over time. We will enhance our scenario analysis by utilising more advanced methodologies and tools, when applicable.

Appendix B: Operational environmental data



Energy management

Metric	Unit	Category	Location	2022	2023	2024
Electricity consumption	KWh ⁵	Purchased electricity	Singapore	170,584	170,238	158,194
			Shanghai	22,609	22,316	20,616
			Total	193,193	192,554	178,810
		Heating and cooling	Singapore	18,297	23,865	15,298
			Shanghai	NA ⁶	NA ⁶	NA ⁶
			Total	18,297	23,865	15,298
		Total		211,490	216,419	194,108

5. Kilowatthour (kWh)

6. No emissions from heating and cooling information available in the Shanghai office, as these are managed through air-conditioning and already included in purchased electricity.

Absolute operational emissions

Metrics	Unit	Categories	Location	2022	2023	2024
Scope 2 absolute emissions	tCO ₂ e ⁸	Purchased electricity	Singapore	69.21	70.96	65.18
			Shanghai	17.91	17.36	15.88
			Total	87.11	88.31	81.06
		Heating and cooling	Singapore	1.31	1.75	1.31
			Shanghai	NA ¹⁰	NA ¹⁰	NA ¹⁰
			Total	1.31	1.75	1.31
		Total		88.42	90.06	82.36
Scope 3 absolute emissions	tCO ₂ e	Fuel and energy-related activities		25.51	25.52	14.87
		Waste generated from operations		NA ⁹	NA ⁷	0.06
		Business travel		103.27	516.72	470.36
		Employee commuting		47.70	56.12	55.98
		Upstream leased assets		NA ¹⁰	22.68	21.52
		Total		176.48	621.04	562.80
Total Scope 2 + Scope 3 emissions	tCO₂e			264.90	711.11	645.16

7. Kilowatthour (kWh)

8. Tonnes of carbon dioxide equivalent (tCO₂e)

9. Fullerton started to measure and report its waste generated from operations for the first time in 2024.

10. Fullerton started to measure and report its upstream leased asset emissions for the first time in 2023.

Water management

Metrics	Unit	Location	2022	2023	2024
Water consumption	L ¹¹	Singapore	86,700	124,000	140,000
		Shanghai ¹²	22,000	19,000	15,000
		Total	108,700	143,000	155,000

11. Litre (L)

12. In the case of Shanghai, we do not have an independent water meter, and therefore, the data is estimated by the asset manager using data from another company of similar type and office area.

Appendix C: Operational emissions reporting methodology



Indirect scopes of GHG emissions	Calculation methodology	Activity data source	Emission factor source
Scope 2 Generated from purchased electricity and cooling consumed by the Company	- Purchased electricity = $\sum (\text{Total energy consumed (kWh)} * \text{Relevant grid emission factor per unit (kgCO}_2\text{e/kWh)}) / 1000$ - Cooling = $\sum (\text{Total cooling consumed (kWh)} * \text{Efficiency ((kW electricity)/kW cooling)} * \text{Relevant emission factor per unit (kgCO}_2\text{e/kWh)}) / 1000$	- Invoice of electricity and cooling consumption (Singapore) - Asset manager database (Shanghai)	- Singapore: Energy Market Authority (“EMA”) - Shanghai: Institute for Global Environmental Strategies (“IGES”) – East China Power Grid
Scope 3 – Category 3: Fuel and energy-related activities Originates from well-to-tank (WTT) and transmission and distributed (T&D) losses from generation and upstream	- From electricity = $\sum (\text{Total electricity consumed (kWh)} * \text{Fuel cycle emission factor (kgCO}_2\text{e/kWh)}) / 1000 + \sum (\text{Total electricity consumed (kWh)} * \text{T\&D losses emission factor ((kgCO}_2\text{e/kWh)}) / 1000$ - From cooling = $\sum (\text{Total electricity consumed (kWh)} * \text{Efficiency ((kW electricity)/kW cooling)} * \text{Fuel cycle emission factor (kgCO}_2\text{e/kWh)}) / 1000 + \sum (\text{Total electricity consumed (kWh)} * \text{Efficiency ((kW electricity)/kW cooling)} * \text{T\&D losses emission factor ((kgCO}_2\text{e/kWh)}) / 1000$	- Invoice of electricity and cooling consumption (Singapore) - Building manager database (Shanghai)	IEA 2023 Life Cycle Upstream Emission Factors (Pilot Edition)

Indirect scopes of GHG emissions	Calculation methodology	Activity data source	Emission factor source
Scope 3 – Category 5: Waste generated in operations Generated from third-party disposal and treatment of waste generated in operations	Waste = $\sum(\text{Waste produced (kg)} * \text{waste type and waste treatment specific emission factor per unit (kgCO}_2\text{e/kg)} / 1000)$	Waste weighing records (sampled)	UK Department for Environment, Food & Rural Affairs (“DEFRA”) 2024
Scope 3 – Category 6: Business travel Generated from the transportation of employees for business-related activities in vehicles owned or operated by third parties (including aircraft, trains and passenger cars) and accommodation	- Transportation (distance-based) = $\sum(\text{Total distance travelled (km)} * \text{Relevant vehicle type emission factor per unit (kgCO}_2\text{e/km)} / 1000)$ - Transportation (spend-based) = $\sum(\text{Total amount spend (local currency)} * \text{Relevant vehicle type emission factor per unit (kgCO}_2\text{e/USD)} / 1000) * \text{inflation rate adjustment} * \text{currency exchange (local currency/USD)}$ - Accommodation tCO₂e = $\sum(\text{Total number of hotel nights (night)} * \text{Relevant hotel emissions factor per unit by country (kgCO}_2\text{e/night)} / 1000)$ <i>* For aircraft, the emission factor is subject to flight type (short, medium, long haul) and cabin (economy, premium economy, business-class)</i> <i>* For road travel, high-speed railway in China uses distance-based approach, all other road travel (railway and subway in other countries and taxis) use spend-based approach</i>	- Travel records and reimbursement records from corporate system or travel agencies - Distances between airports are from the International Civil Aviation Organisation (ICAO)¹³	- Transportation (distance-based) & accommodation: UK DEFRA 2024 - Transportation (spend-based): US EPA Supply Chain Factors Dataset v.1.3 (2022 commodity)

13. Source: [ICAO Carbon Emissions Calculator \(ICEC\)](#)

Indirect scopes of GHG emissions	Calculation methodology	Activity data source	Emission factor source
Scope 3 – Category 7: Employee commuting Generated from the transportation of employees from home to office and vice versa	Transportation = $\sum(\text{Total distance travelled (km)} * \text{Relevant vehicle type emission factor per unit (kgCO}_2\text{e/km)} / 1000)$	Distance travelled and vehicle type from employee commuter travel survey	- UK DEFRA 2024 - Singapore Emissions Factors Registry
Scope 3 – Category 8: Upstream leased assets Generated from operation of assets leased by Fullerton and not included in Scope 1 or Scope 2	Electricity consumed from upstream leased assets = $\sum(\text{Total energy consumed as calculated by net lettable area (kWh)} * \text{Relevant grid emission factor per unit (kgCO}_2\text{e/kWh)} / 1000)$	Electricity consumption and area from building manager	Singapore: EMA

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