

## Sustainability Management

Environmental, social and governance (ESG) issues are critical to creating a sustainable future for CMT, our stakeholders and society. By integrating ESG considerations into our operations, we believe that we can manage our business better and create long-term value for all stakeholders.

Our approach to sustainability incorporates considerations relating to:

<b>Environmental</b>	<ul style="list-style-type: none"> <li>• Effective management of processes to mitigate key environmental risks</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>• Superior policies and practices to recruit and retain employees</li> <li>• Improvement of workplace health and safety</li> <li>• Maintenance of strong community relations</li> </ul>
<b>Governance</b>	<ul style="list-style-type: none"> <li>• Integrity in all aspects and commitment to the highest standards of good governance, transparency and accountability</li> </ul>

Since September 2007, CMT has been a constituent of FTSE4Good Global Index, which is designed to facilitate investment in companies that meet globally recognised corporate responsibility standards.

To shape our understanding of the ESG issues that we must address in our everyday business, we continually keep abreast of developments in our industry and engage our stakeholders. We cultivate our stakeholder relationships through regular and systematically planned forms of dialogue such as conferences, workshops, roadshows and surveys.

### Stakeholder Engagement

Stakeholder and Why We Engage	Issues/Interests	How We Engage (Examples)
<b>Shoppers</b>		
<ul style="list-style-type: none"> <li>• To understand our shoppers' needs and improve the appeal of our malls</li> </ul>	<ul style="list-style-type: none"> <li>• Shopping malls with family-friendly facilities</li> <li>• Easy access to public transport</li> <li>• Greater convenience to enhance shopping experience</li> </ul>	<ul style="list-style-type: none"> <li>• Advertisements and promotional events</li> <li>• Focus groups and surveys</li> <li>• Online and mobile platforms</li> <li>• Social media</li> <li>• Loyalty programmes</li> </ul>
<b>Tenants</b>		
<ul style="list-style-type: none"> <li>• To understand our tenants' needs and concerns as well as help drive shopper traffic to our malls</li> </ul>	<ul style="list-style-type: none"> <li>• Opening of new shops or malls</li> <li>• Learn from successful companies</li> <li>• Knowledge sharing</li> </ul>	<ul style="list-style-type: none"> <li>• Informal tenant gatherings</li> <li>• Biz+ Series events</li> <li>• Joint promotions and partnerships</li> <li>• Green leases</li> <li>• Retailer forums</li> </ul>
<b>Investors</b>		
<ul style="list-style-type: none"> <li>• To create an informed perception of CMT, manage investors' expectations and promote a positive investment environment</li> </ul>	<ul style="list-style-type: none"> <li>• Business performance</li> <li>• Business expectations and strategy</li> <li>• Economic, social and environmental concerns</li> </ul>	<ul style="list-style-type: none"> <li>• Annual general meetings</li> <li>• SGXNet announcements</li> <li>• Annual reports, results briefings to analysts and media, webcasts</li> <li>• Website updates</li> <li>• Roadshows, conferences and meetings</li> <li>• Tours of CMT's malls</li> </ul>

Stakeholder and Why We Engage	Issues/Interests	How We Engage (Examples)
<b>Employees</b>		
<ul style="list-style-type: none"> <li>To develop employees to achieve their optimal levels, align their personal goals with company performance and create a positive work environment for them</li> </ul>	<ul style="list-style-type: none"> <li>Communicating business strategy and developments</li> <li>Reward and recognition</li> <li>Training and development</li> <li>Employee wellness</li> </ul>	<ul style="list-style-type: none"> <li>Intranet, emails, staff communication and informal breakfast sessions</li> <li>Recreational and team building activities</li> <li>Employee engagement surveys</li> <li>Performance appraisals</li> <li>Training courses</li> </ul>
<b>Communities</b>		
<ul style="list-style-type: none"> <li>To contribute to the communities in which we operate</li> </ul>	<ul style="list-style-type: none"> <li>Philanthropy</li> <li>Environment</li> </ul>	<ul style="list-style-type: none"> <li>Employee volunteerism</li> <li>Donations to non-profit organisations</li> <li>Management of environmental, social and governance issues</li> </ul>

## ENVIRONMENT

To ensure that our actions in operating CMT's malls are environmentally friendly and that we follow green practices, we have adopted an Environmental Management System (EMS) from CapitaLand which was certified to the ISO 14001 international standards in 2007. ISO 14001 is an internationally recognised standard for the environmental management of businesses. We review new or update existing legal requirements for the EMS every quarter and evaluate compliance annually. In 2015, we complied fully with the environmental laws and regulations in Singapore and there was no environmental non-conformance.

As part of the CapitaLand Group, we adhere to the group's Sustainable Building Guidelines (SBG) which is an in-house guide developed since 2007 and regularly reviewed to ensure continual improvement. We strive to implement the SBG at all stages of a development project, from feasibility, design, procurement and construction to operations.

The SBG includes an Environmental Impact Assessment (EIA) which is carried out during the feasibility stage of any development project. The EIA helps to identify any environmental threats or opportunities related to the project site and its surroundings, including aspects such as air quality, noise, possible floods, biodiversity, connectivity, heritage and resources. All significant findings of the EIA and their cost implications have to be tabled as part of the investment project paper submitted to the

Board of Directors for approval. At the procurement stage, in accordance with the SBG, all main contractors appointed for projects with a gross floor area of at least 2,000 square metres, have to be ISO 14001 and Occupational Health & Safety Assessment Series (OHSAS) 18001 certified or they have to implement CapitaLand Group's Environmental, Health and Safety (EHS) measures on-site to comply fully with EHS legislations equivalent. The OHSAS 18001 is an internationally recognised standard for the occupational health and safety management of businesses.

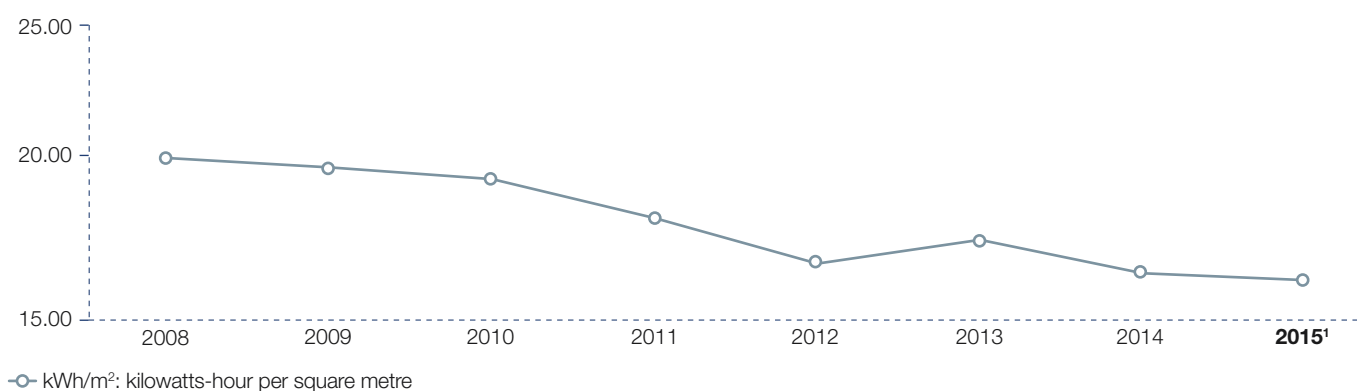
We use an Environmental Tracking System (ETS), developed in-house by CapitaLand, to track the monthly energy and water usage, carbon dioxide emission and waste generation of CMT's malls. This ETS is audited annually by CapitaLand.

The CapitaLand Group's long-term energy and water reduction targets (using 2008 as base year) are:

- To reduce energy and water usage by 15.0% by 2015
- To reduce energy and water usage by 20.0% by 2020

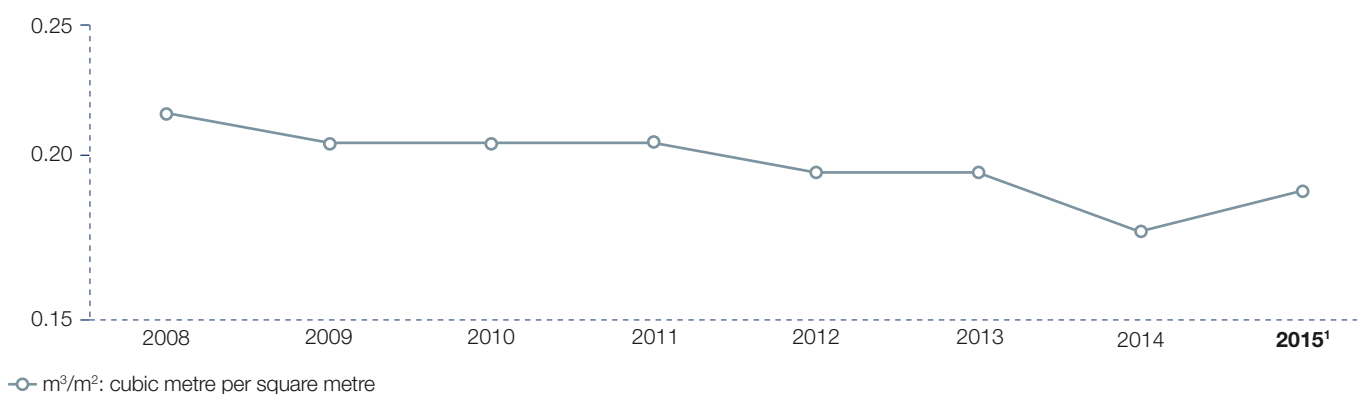
## Sustainability Management

### Energy Efficiency Index



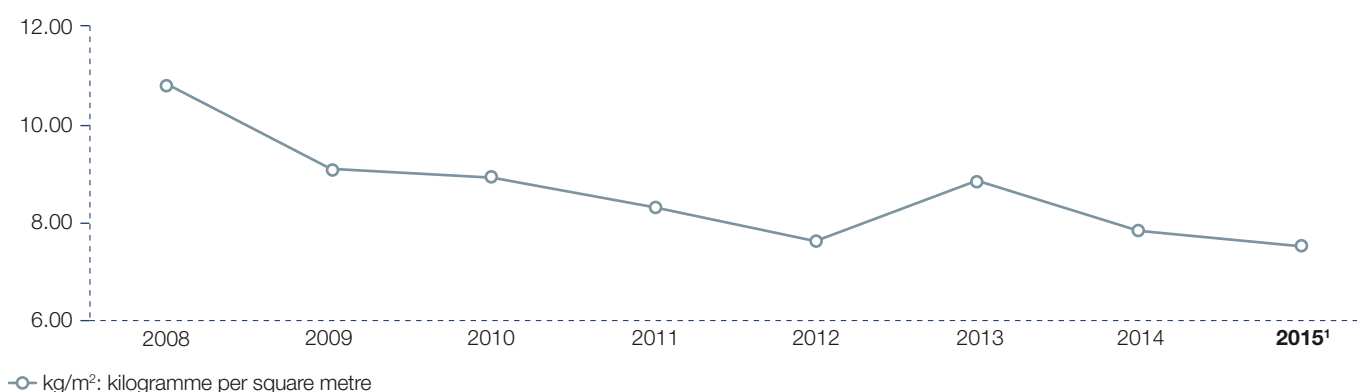
In 2015, our total energy consumption recorded 141.9 megawatt hours. We managed to reduce our energy usage by 20.2% in 2015 compared to 2008.

### Water Efficiency Index<sup>2</sup>



Our total water consumption stood at 1,677,613 cubic metres in 2015. We reduced our water usage by 10.5% compared to 2008. Compared to the previous year, the higher water usage was mainly due to asset enhancement works and the increase in shopper traffic during the year.

### Carbon Emission



In terms of carbon emission, we recorded 65,017 tonnes in 2015. We reduced our carbon emission by 30.4% in 2015 compared to 2008.

1 Excludes Bedok Mall which was acquired on 1 October 2015 and Rivervale Mall which was sold on 15 December 2015.

2 Restated to actual water consumption.

## Green Initiatives

We organise environmental outreach activities to encourage a conservation mindset among stakeholders. In 2015, all of our malls marked Earth Hour by switching off their facade lights and non-essential lighting for extended hours throughout the night, beginning at 8.30 p.m. on 28 March 2015. This was the eighth year that we participated in this annual global sustainability movement to promote awareness of energy conservation.

As part of our effort to reduce waste, Funan DigitalLife Mall continued its e-waste recycling programme with support from the National Environment Agency. This recycling programme allows eco-conscious consumers to dispose their e-waste properly in a central location.

To support sustainable mobility and further reduce the carbon footprint, we have installed the Plug-In Electric Vehicle (EV) charging stations at Raffles City Singapore and The Atrium@Orchard. We have plans to include EV charging stations in new locations outside the central region in 2016.

## Green Awards Achieved to Date

As at 31 December 2015, 12 of CMT's malls have garnered Green Mark awards from the Building and Construction Authority (BCA). The BCA Green Mark was introduced in January 2005. It is a scheme that assesses the environmental performance and impact of buildings and promotes energy efficiency, water savings, a healthier indoor environment and waste reduction.

Property	Award Category	Year of Award
Bugis Junction	Platinum	2014
Westgate	Platinum	2013
Bugis+	Platinum	2012
Junction 8	Platinum	2012
Bedok Mall	Platinum	2012
The Atrium@Orchard (Retail)	Gold	2015
Tampines Mall	Gold	2014
Raffles City Singapore	Gold	2014
Bukit Panjang Plaza	Gold	2012
Plaza Singapura	Gold	2012
Lot One Shoppers' Mall	Gold	2012
Sembawang Shopping Centre	Gold	2012

## Sustainability Management

### Health and Safety

We have a duty of care to ensure the occupational health and safety of all employees and monitor our operations to ensure safety risks are controlled.

We have adopted an Occupational Health and Safety (OHS) Management System which was certified to OHSAS 18001 international standards in 2009. The OHS Management System is audited by a third party accredited certification body.

Our OHS objectives are:

- Zero incidents resulting in staff permanent disability or fatality
- All main contractors for major projects have to be OHSAS 18001 certified (or equivalent)

We complied fully with local OHS laws and regulations in 2015. During the year, we reported zero staff work-related permanent disability or fatality. All the main contractors that we appointed in 2015 were OHSAS 18001 certified.

In line with CapitaLand's policy to select contractors and suppliers who are committed to high environmental and occupational safety standards, the majority of our vendors and service providers are certified bizSAFE Level 3 and above.

For our malls, we strive to mitigate key OHS hazards in facilities, operations and contract management. For instance, service providers such as cleaning companies need to submit material safety data sheets to show that materials used are approved by authorities for use in Singapore. OHS guidelines include office ergonomics, safety issues and general employee well-being.

### SHOWCASE OF A GREEN BUILDING: BEDOK MALL



Located at New Upper Changi Road, Bedok Mall is a green shopping mall and is part of an integrated development comprising retail, residential and transport hub.

Bedok Mall adopts a multi-pronged approach to create a sustainable development from the early stages of design. The focus on green construction is carried out throughout the construction of this new development, beginning with the green demolition of the previous bus interchange and the recycling of building materials from these demolition works.

#### Design Stage

A high-performance tinted double-glazed shopfront glass was selected for the architectural facade, and canopies offering sun shading are also provided along the southern facade to reduce heat transmission to the air-conditioned spaces.

#### Energy Saving Strategies

The strategies include the provision of high efficiency systems such as lifts and escalators with variable voltage frequency and sleep mode features, energy-efficient light fittings and the use of motion sensors at the common staircases and toilets to reduce energy consumption.

Variable speed drive ventilation fans are used for mechanical ventilation at the major areas such as car parks and the bus interchange parking areas. Extensive detailed studies were carried out to design the fans to operate at optimal levels of energy consumption.

The installation of carbon monoxide sensors enables the fans to operate at optimal levels where required. This serves to create a comfortable and safe environment for users.

### Water Saving Strategies

Sanitary wares and fittings certified with the Public Utilities Board Water Efficiency Labelling Scheme rating were selected for use in the toilets. NEWater is also used for the cooling tower and landscape irrigation instead of potable water.

Landscape areas are provided with automated drip irrigation. This automated system, comprising a rain sensor and time controller, is able to react more sensitively to the irrigation requirements and thus minimises water wastage.

### Promoting Use of Public Transportation

Bedok Mall stands at the intersection of major public transportation networks. It is directly connected to the bus interchange and Bedok Mass Rapid Transit Station. Covered linkways are provided to connect the taxi stands and bus stops to the shopping mall. To promote energy-efficient transportation, a dedicated sheltered bicycle park with 200 bays is provided for shoppers.

### Promoting Use of Solar Energy

The canopy has integrated the use of photovoltaic (PV) cells as part of its canopy design. The PV cells on the canopy glass harvest about 3,400 kWh of energy per year for the lighting of the walkway below the canopy.

### Promoting Green Awareness among the Public

A dedicated space has been set aside for the Green Education Corner where the mall's several green features are highlighted. The public is educated on how each of the mall's green features works together to achieve the mall's overall energy savings.

## COMMUNITY INVOLVEMENT

As satellite hubs, our malls are strategic channels to engage the local community through activities that educate and enrich them. We thus partner government and community organisations to bring together events that inspire and engage shoppers for community causes.

Majority of the shopping malls are conveniently located in close proximity to transport hubs. This allows easy access to the surrounding communities and facilities. Free shuttle bus services are also available at some malls. Approximately 380 bicycle bays are also provided in our malls. In addition, we promote community engagement through communal spaces such as libraries and children's play areas.

### Heritage and Arts

In celebration of Singapore's jubilee year, Bedok Mall organised a 'Canstruction' event in partnership with Kampong Chai Chee Community Centre's youth executive committee and Bethesda Cathedral. More than 12,000 tins of canned food were donated and used to form a massive lion head design. All collections were distributed to more than 150 underprivileged families in Bedok.

Bukit Panjang Plaza partnered Mediacorp Radio Capital 95.8FM to present the 'Voices of The Nation' event, where Singaporeans shared their thoughts on how the founding father of independent Singapore, Mr Lee Kuan Yew, had inspired them. Their voices were recorded and compiled into a CD for archival in the National Museum of Singapore. Selected audio clips were also shared on Capital 95.8FM as part of their countdown event to celebrate SG50.

Clarke Quay supported the Singapore River Festival 2015, which pays homage to the river's rich cultural heritage and its modern dynamism through performances and cultural arts. The festival highlights included a breathtaking aerial performance by Spanish theatrical group, La Fura dels Baus, and by local artistes at Read Bridge and above the river. This performance saw the participation of La Fura artistes and public volunteers to form a 'human net' above the Singapore River. There were also free salsa and acroyoga (a physical practice which combines yoga and acrobatics) workshops at the Fountain Square.



## Sustainability Management

### Youth Support

Bugis Junction and Bugis+ partnered Singapore Street Festival to encourage Singaporean youths to pursue their passion in the performing arts. The malls offered a platform for aspiring artistes to perform. Performances included magic shows and rock bands. A yo-yo competition was also held to engage youths skilled in the game.

### Health and Well-being

More than 500 Singaporeans participated in the 'Aspire to Perspire' event at the Read Bridge at Clarke Quay. The event was a twist of exercise and fun with an exciting sports concert. Exercises included adrenaline pumping workout with professional trainers, workout demonstrations such as K-pop fitness, piloxing, U-Jam fitness and zumba fitness. This event was organised by the People's Association and supported by Clarke Quay to promote healthy living through regular exercise.

In conjunction with the SEA Games, Tampines West Community Sports Club organised a mass zumba and fringe activities at Tampines Mall as part of their Community Sports Festival 2015. The event included a SEA Games torch up ceremony.

### My Schoolbag

CapitaLand's key annual corporate social responsibility programme 'My Schoolbag', was held for the seventh consecutive year, reaching out to 1,000 underprivileged children from low-income families in 2015. The programme was held at Bedok Mall, JCube, Junction 8, Lot One Shoppers' Mall and The Star Vista (a CapitaLand mall) in partnership with five community development councils. Each child was given a new school bag and new stationery, and was accompanied by volunteers to shop for school shoes and their daily necessities. More than 500 staff and community volunteers took part in the event. This year's programme also introduced a new segment inviting professionals from different fields to inspire the young minds to set ambitions and work towards achieving them. Career professionals invited to share their education journeys and career paths included a documentary photographer, a commercial pilot, a veterinarian, a general practitioner and an architect.



My Schoolbag

### PROGRAMME FOR TENANTS

CapitaLand collaborated with dishwashing services provider, GreatSolutions to set up Singapore's first on-site centralised dishwashing facility in a shopping mall in March 2015. This initiative is supported by SPRING Singapore, Urban Redevelopment Authority, National Environment Agency and the Employment and Employability Institute. Spanning over 7,000 sq ft in IMM Building, the on-site centralised dishwashing facility provides a long-term solution that helps food and beverage tenants reduce their reliance on manpower. In addition, between 15.0% and 20.0% of their kitchen space, usually set aside for dishwashing activities, can now be put to more productive use.

Biz+ Series 2015, a tenant engagement programme comprising seminars, workshops and networking sessions, was themed on 'Rethinking the Customer through Experience, Innovation and Digital'. Two seminars and a CEO breakfast roundtable centred on this theme were held to help retailers stay on top of key trends and identify new opportunities in the evolving retail landscape for their customers. A large scale forum titled 'Retail Future' was held in October 2015 where cross-industry leaders shared their key success tips on how to be future ready for the customer. Retailers took away key insights on how to be customer centric by leveraging on data and technology; and implementing innovation to increase productivity and revenue.

## People & Talent Management

As an externally managed real estate investment trust, CMT has no employees and is managed by CapitaLand Mall Trust Management Limited (CMTML), which is an indirect wholly-owned subsidiary of CapitaLand Limited.

We adopt an integrated human capital strategy to recruit, develop and motivate employees because we recognise that people are our greatest asset and they contribute to the success of our business.

### Talent Management

We actively seek innovative, dynamic and talented employees both internally and externally to strengthen our bench strength and to support our growth in Singapore. As part of our talent management strategy, talents are recruited at different points in their careers, from fresh graduates to young, mid-career professionals and industry veterans. We continually build our management bench strengths through identification of high potential talents as part of the regular succession planning process.

At the core of our development plan is a systematic programme for all new hires to learn more about our business operations, strategies, core values and management philosophy. All employees also undergo an annual performance review where they can openly discuss their performance and future aspirations with their supervisors. They broach topics such as possible career moves and training plans.

We believe in talent cross-fertilisation and leverage on CapitaLand's Human Resource function to build people. As part of career development, employees are given opportunities to rotate to different properties, functions, cities or countries within CapitaLand's portfolio.

### Competitive Compensation and Benefits

We offer all employees comprehensive and competitive remuneration packages. These include short-term cash bonus and long-term equity-based reward plans such as restricted share and performance share programmes. Such equity-based reward plans help to strengthen the link between reward and performance, as well as to retain talent.

All employees receive staff benefits including a flexible benefits plan and leave entitlements for maternity, paternity and volunteer reasons. We recognise that employees have diverse needs, and a flexible benefits

plan enables staff to complement their personal needs with those provided by the company. Employees can thus customise their benefits for themselves and their families.

To ensure that we can continue to attract and retain talent, we regularly engage external human resource consultants to benchmark our compensation and benefits packages against other peers and industries in Singapore.

### Developing Our People

In line with our belief that continual learning is a fundamental building block of growth, we offer comprehensive training and development programmes for employees to acquire relevant knowledge and skills to achieve business excellence.

In 2015, about 3.0% of our annual payroll was allocated for programmes relating to employee learning and growth. We have in place training roadmaps and a wide variety of courses, ranging from project financing and real estate to soft skill subjects such as communications and presentation skills. Staff have direct access to a year-long training calendar, which comprises a series of pre-evaluated training courses, via CapitaLand's intranet. In addition, we have established an online learning platform which offers more than 400 programmes, to encourage staff to learn continually and offer them wider choices in terms of courses.

In 2015, approximately 99.5% of staff attended at least one training event. We encourage employees to upgrade themselves by attending courses or obtaining professional qualifications relevant to their work. Employees are granted paid examination leave for their studies. For full-time staff, examination leave is up to 10 days per calendar year.

Our employees also participated in study visits to malls in China to network and gain insights to interesting retail concepts outside Singapore.

For members of the senior management team with proven track records and leadership potential, we partner with CapitaLand Institute of Management and Business (CLIMB) to provide leadership and management programmes to sharpen their management, leadership and business skills.



## People & Talent Management

### Engaging Our People

We believe it is important to integrate and engage staff across Singapore through regular communication. Staff communication sessions by senior management are conducted at least twice a year. During these staff communication sessions, information on financial results and key business focus are shared with employees. These sessions include a question and answer session, where employees can ask questions and management seeks to gather responses from them. In 2015, we also conducted an employee engagement survey to receive feedback from staff.

CapitaLand's intranet is a valuable platform for employees to find out the details of employment terms, benefits, human resource policies and practices including the whistle-blowing policy, as well as ethics and code of business conduct policies.

We regularly organise recreational, team building events and brainstorming workshops to reinforce organisational cohesiveness as part of our concerted efforts to engage our workforce. In 2015, activities such as complimentary health screenings, free flu vaccinations and health-related activities were organised to encourage a well-balanced and healthy lifestyle among employees. Recreational activities included a movie day, a durian feast, a bowling challenge and an annual party. In celebration of SG50, CapitaLand held a carnival 'CapitaLand #100KHopeHours Challenge & Family Day' at Raffles City Singapore in which our employees attended and pledged volunteer hours for this initiative. In addition, all staff were granted a day-off.

We supported annual national campaign 'Eat with Your Family Day' in May 2015 by giving employees time off to leave offices early to dine with their families.

We dedicated two days in November 2015 as CMA Singapore Technician Day where technicians took part in a mini quiz to test their understanding of technical knowledge related to their work. In addition, the technicians bonded over friendly soccer matches and billiard games.

To provide our employees with a better work-life balance, we have a flexible work arrangement policy which permits flexible working hours, working from home or part-time work arrangements.

### Promoting Fairness and Diversity

We define our human resource policy on equal opportunities and fair employment practices and all job applicants are treated fairly regardless of ethnicity, age or gender. As part of the CapitaLand Group, we adhere to the group's policies on non-discriminatory employment practices. CapitaLand has signed the Employers Pledge for Fair Employment Practices with The Tripartite Alliance for Fair Employment Practices and also upholds the spirit of international human rights conventions, such as the Universal Declaration of Human Rights and the International Labour Organisation Conventions, against discrimination in any form and coerced labour.

In 2015, 64.5% of our workforce was between the age of 30 and 50, 21.7% less than 30 years old and 13.8% more than 50 years old. About 63.1% of the employees hold tertiary qualifications and above (this includes holders of diploma as well as bachelor's and master's degree qualifications).

Our workforce comprises a good mix of male and female employees. The female employees are well represented at the middle and senior management levels. For the past three years, more than half of the managerial employees were female. In 2015, about 58.3% of senior management, comprising those at Vice President level and above, were female.