

Sustainability Management

Dear Stakeholders,

CMT is committed to sustainable policies and practices, and we have consistently tracked our energy, water consumption and carbon emissions over the years. Environmental, social and governance (ESG) issues are critical to creating a sustainable future for CMT, our stakeholders and the society. Our sustainability achievements have been locally and globally recognised in areas of corporate responsibility, environmental performance and ESG standards. We aim to proactively improve our sustainable performance.

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.

To date, over 90.0% of CMT's operating malls have achieved the Green Mark awards from the Building and Construction Authority (BCA). In 2016, CMT was given further recognition and became a part of the SGX Sustainability Leaders Enhanced Index, SGX Sustainability Leaders Index, SGX Sustainability Enhanced Index and SGX Sustainability Index. Since September 2007, CMT has been a constituent of FTSE4Good Global Index and was added in the newly created FTSE4Good ASEAN 5 Index in 2016. These indices were designed to facilitate investment in companies that meet globally recognised corporate responsibility standards. CMT was recognised as the Regional Sector Leader of Asia (Retail – Listed) in the 2016 Global Real Estate Sustainability Benchmark (GRESB) Real Estate Assessment. This is a testament to our continuous effort to strengthen our ESG standards.

We continue our commitment to uphold high standards of corporate governance by being a signatory to the Statement of Support Towards Excellence in Corporate Governance initiated by the Securities Investors Association Singapore (SIAS). In 2016, CMT came in as runner-up for the Most Transparent Company Award (REITs & Business Trusts Category) at the SIAS 17th Investors' Choice Awards.

This section will look at CMT's entire portfolio of 16 properties with a total asset size of S\$10.3 billion, and is aimed at reporting on the way we strengthen our engagement with key stakeholders, as well as our sustainability efforts, performances, measures and activities.

As wholly owned subsidiaries of CapitaLand, we, the Manager and our Property Managers are aligned with CapitaLand's commitment to sustainability and core values.

We recognise that investors are taking greater interest in the value of sustainability and we aim for our business and operations to be conducted in a responsible and sustainable basis. As we continue on our sustainability journey, we will progressively add metrics and targets that are material to our business to improve our overall sustainability performance across our property portfolio, and better communicate the actions we are taking to all our stakeholders with the ultimate goal of building a sustainable business for the future.

Tan Wee Yan, Wilson

Chief Executive Officer

INTRODUCTION

About CMT

Listed on Singapore Exchange Securities Trading Limited since July 2002, CMT is the first and largest retail real estate investment trust (REIT) with a market capitalisation of S\$6.7 billion as at 31 December 2016. CMT owns and invests in quality income-producing assets. Its current portfolio comprises 16 quality shopping malls which are strategically located in the suburban areas and downtown core of Singapore.

Sustainability Commitment

CMT is a CapitaLand-sponsored REIT externally managed by the Manager while daily property operations are managed by the Property Managers. Both the Manager and Property Managers are wholly owned subsidiaries of CapitaLand. In their respective areas of responsibilities, the Manager and the Property Managers have aligned and adopted CapitaLand's established sustainability structure and framework of policies and guidelines, as well as ethics and code of business conduct for CMT where relevant and appropriate.

CMT's sustainability focus is aligned with CapitaLand's, which is based on its credo, 'Building People. Building Communities.' and is integrated with CMT's asset and portfolio strategies, daily operations management and stakeholder engagements. There is a process of regular review, assessment and feedback in the areas of ESG in line with CapitaLand's practices.



Top Management Support and Staff Involvement

Members of CapitaLand's top management constitute a Sustainability Council which oversees sustainability management and receives support from its Sustainability Steering Committee (SSC). Representatives from all

CapitaLand's business units (BUs) formed the SSC and two working teams. SSC manages the working teams with the aim of furthering CapitaLand's progress in terms of ESG performance. The Chief Executive Officers of the BUs are responsible for their respective BU Environmental, Health and Safety (EHS) performance in their role as BU EHS Champions.

The Manager and Property Managers identify and review material issues which could have significant impact to CMT's business and operations as well as others derived through regular stakeholder engagements.

FINANCIAL PERFORMANCE

For detailed financial results and performance, please refer to the following sections of this Annual Report - Financial Highlights (pages 2 to 3), 2016 Highlights (page 4), Financial Review (pages 88 to 91) and Financial Statements (pages 134 to 214).

GOVERNANCE

The Manager is committed to the highest level of corporate governance and transparency in its policies and processes. We see governance as essential for the sustainable value and success of CMT and to be in the best interests of our Unitholders. For details on CMT's Corporate Governance, please refer to pages 26 to 47 of this Annual Report.

CMT is a member of the Investor Relations Professionals Association Singapore (IRPAS) and REIT Association of Singapore (REITAS). CMT participates and supports the activities organised by IRPAS, REITAS and SIAS.

Enterprise Risk Management (ERM)

An integral part of good corporate governance, a comprehensive ERM framework enables CMT to proactively identify, communicate and manage risks and exposures in an integrated, systematic and consistent manner. In driving risk awareness, decision-making and business processes are put through prudent risk assessment. Fraud and corruption risks and property management risk have been identified as material to ensure sustainability. Details on ERM can be found on pages 48 to 50 of this Annual Report.

Sustainability Management

STAKEHOLDER ENGAGEMENTS



Shoppers

To understand our shoppers' needs and improve the appeal of our malls

Issues/Interests

- Experiential shopping
- New retail concepts
- Family-friendly facilities
- Easy access to public transport

How We Engage

- Marketing and promotional events
- Loyalty programmes
- Online and mobile platforms
- Social media
- Shopper satisfaction focus groups and surveys



Tenants

To understand our tenants' needs and concerns as well as help drive shopper traffic to our malls

Issues/Interests

- Opening of new shops or malls
- Learn from successful companies
- Knowledge sharing and keep abreast of market trends
- Enhance operational efficiency

How We Engage

- Informal tenant gatherings
- Biz+ Series events
- Joint promotions and strategic partnerships
- Green leases
- Value added initiatives by centralisation and leveraging on technology
- Tenant satisfaction survey



Investors

To create an informed perception of CMT, manage investors' expectations and promote a positive investment environment

Issues/Interests

- Business performance
- Business expectations and strategy
- Economic, social and environmental concerns

How We Engage

- Annual general meetings
- SGXNet announcements
- Annual reports, results briefings to analysts and media, webcasts
- Website updates
- Roadshows, conferences and meetings
- Tours of CMT's properties



Employees

To develop employees to achieve their optimal levels, align their personal goals with company performance and create a positive work environment for them

Issues/Interests

- Communicating business strategy and developments
- Reward and recognition
- Training and development
- Employee wellness

How We Engage

- Informal and formal staff communications
- Recreational and team building activities
- Employee engagement surveys
- Performance appraisals
- Training courses



Suppliers

To be a fair and reasonable buyer of goods and services and sharing industry best practices

Issues/Interests

- Fair and reasonable treatment
- Ensure alignment with ESG objectives

How We Engage

- Term contractor/vendor evaluation system
- Standard operating procedures, guidelines and house rules for compliance
- Share CapitaLand's EHS policy with suppliers
- Collaborate with suppliers to handle EHS challenges



Community

To contribute to the communities in which we operate

Issues/Interests

- Philanthropy
- Environment

How We Engage

- Employee volunteerism
- Donations to non-profit organisations
- Management of ESG issues
- Corporate social responsibility programmes

CapitaLand's Core Values

- Respect:** We believe in mutual trust and respect at all levels. This is fundamental to a high-performance culture that embraces diversity and teamwork as One CapitaLand.
- Integrity:** We embrace the highest standards of integrity. We have the courage to do what is right, and earn the trust of all our stakeholders.
- Creativity:** We constantly innovate to enhance value and stay ahead.
- Excellence:** We pursue excellence and persevere in everything we do.

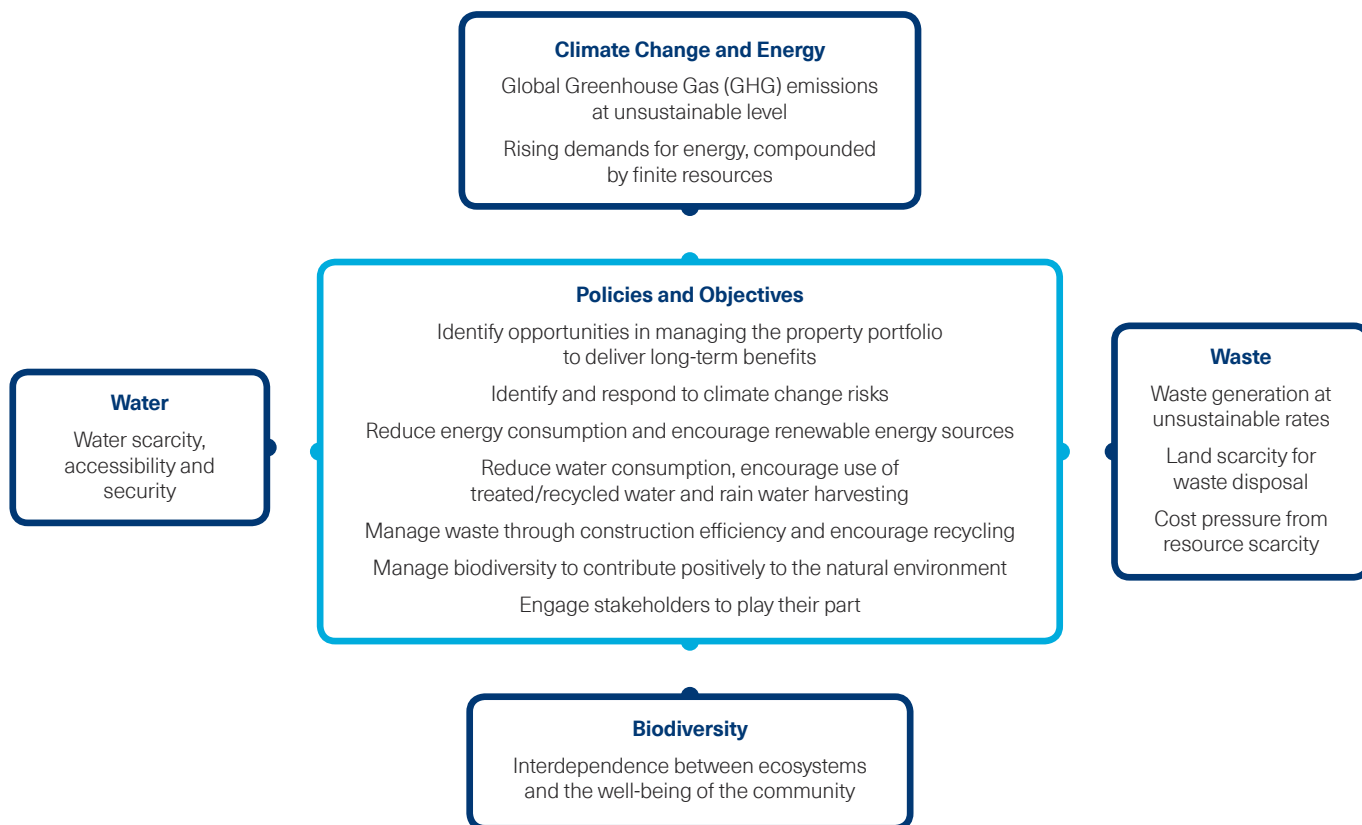
OUR ENVIRONMENT

CMT is committed to environmental sustainability and the enhancement of value as a real estate owner. By leveraging on technologies and analytics in optimising the usage of energy, water as well as waste management across our properties, we believe that we can manage our business better and create long-term value for all stakeholders.

To align the understanding of our commitments 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.

Adopting CapitaLand's Environmental, Health and Safety Management System (EHSMS) framework, CMT's material environmental aspects of business functions including property management and property development are as follows:



Sustainability Management

Tracking Our Performance

To measure its performance, CMT has incorporated the following key performance indicators.

2016 Key Performance Indicators		
Key Environmental Issues	Targets	Performance for 2016
Operational Efficiency	Reduce carbon emissions intensity by 23.0% by 2020 Reduce energy intensity by 20.0% by 2020 Reduce water intensity by 20.0% by 2020 (Using 2008 as base year)	Achieved 32.4% carbon emissions intensity reduction, 18.8% energy intensity reduction and 5.1% water intensity reduction (Using 2008 as base year)
Resource Consumption Management	To achieve green building ratings for all properties by 2020	More than 90.0% of our operating properties achieved at least a Green Mark Gold certification
Environment Management System (EMS)	ISO 14001 certification Risk management of environmental aspects and impacts	Retained ISO 14001 certification No environmental non-compliance
Supply Chain Management	Appoint contractors and service providers who comply with local government and other legal requirements	Majority of our contractors and service providers are minimum bizSAFE Level 3 certified
	Appoint main contractors for projects with gross floor area (GFA) of at least 2,000 square metres, with ISO 14001 and Occupational Health & Safety Assessment Series (OHSAS) 18001 certification	All main contractors for projects with GFA of at least 2,000 square metres were ISO 14001 and OHSAS 18001 certified
Stakeholder Engagements	Organise environmental outreach activities to cultivate an environmental mindset among stakeholders	All CMT's properties participated in Earth Hour organised by CapitaLand To promote recycling of e-waste, recycling bins are installed in 10 of our properties Implemented In-Mall Distribution in two properties which reduced queuing time for deliveries in the malls

Managing our Environmental Footprint

CapitaLand's EMS is a key tool in managing CMT's environmental footprint across its entire portfolio. This EMS, together with CapitaLand's Occupational, Health and Safety Management System (OHSMS) are integrated as CapitaLand's EHSMS. CapitaLand's EHSMS is audited by a third-party accredited certification body to ISO 14001 and OHSAS 18001 standards. ISO 14001 and OHSAS 18001 are internationally recognised standards for the environmental management of businesses and occupational health and safety management of businesses respectively.

Environmental, Health and Safety Policy

CMT is committed to protecting the environment and upholding the occupational health and safety (OHS) of everyone in the workplace, and will:

- Carry out exemplary EHS practices to minimise pollution as well as health and safety risks
- Seek continual improvement on its EHS performance
- Comply with relevant legislations and other requirements
- Implement CapitaLand's Sustainable Building Guidelines (SBG) and OHS programmes

This policy is readily available to all employees, tenants, suppliers and service providers.

Since 2012, all business functions such as property management, property development as well as corporate management and operations for CMT's properties are ISO 14001 certified.

Risk Management of Environmental Aspects and Impacts

As part of the certified EMS, new or updated legal requirements are reviewed quarterly and compliance is evaluated annually. In 2016, CMT complied with the environmental laws and regulations and there was no environmental non-compliance.

CapitaLand's EMS provides a systematic process to manage the environmental impacts and to continuously improve its environmental performance. A key element is to identify and manage significant environmental aspects of its business operations that can potentially have a negative impact on the environment. The significance

level of each environmental aspect and impact is assessed using a risk assessment technique based on factors comprising the likelihood of the occurrence, severity of the impact and control measures implemented.

CMT strives to minimise impacts such as resource depletion, carbon emissions and waste generation. This is done by setting environmental targets such as green building rating targets, carbon emissions, energy and water usage reduction targets, participating in stakeholder engagement activities, as well as implementing various measures to achieve them. For more details, please refer to the table '2016 Key Performance Indicators' on page 62 of this Annual Report.

Training

To facilitate effective implementation of CapitaLand's EHSMS, training and awareness programmes are planned and conducted for all staff. New staff are introduced to the EHSMS and EHS policy as well as briefed on their roles.

Internal and External Audits

CapitaLand has in place an internal audit system to ensure the conformance and effective implementation of its EMS to ISO 14001 international standards. External audits are conducted annually by a third-party accredited certification body.

Sustainable Developments and Assets

Green building ratings and certifications help assure and demonstrate the quality of CMT's portfolio. These ratings serve as an external validation that key environmental aspects have been considered in CMT's project design, development and operations.

Green Building Rating

Green building rating targets are set from the early stage of design and development. Green rated buildings have a lower lifecycle carbon footprint through the adoption of sustainable design and materials, and have lower resource consumption like energy, water and reduce waste in their operations.

The target for our new developments is Green Mark Gold^{PLUS}, two levels above the legal requirement of the BCA Green Mark Certification.

Sustainability Management

CMT is committed to achieving Green Mark certification for all of its portfolio by 2020, in support of the Singapore government's Green Building Master Plan. As at 31 December 2016, 14 of our properties have achieved green certification.

Property	Award Category	Year of Award
JCube	Platinum	2016
Bugis Junction	Platinum	2014
Westgate	Platinum	2013
Bugis+	Platinum	2012
Bedok Mall	Platinum	2012
Junction 8	Platinum	2012
IMM Building	Gold ^{PLUS}	2016
Lot One Shoppers' Mall	Gold	2016
Plaza Singapura	Gold	2016
Sembawang Shopping Centre	Gold	2016
The Atrium@Orchard (Retail)	Gold	2015
Raffles City Singapore	Gold	2014
Tampines Mall	Gold	2013
Bukit Panjang Plaza	Gold	2012

Life Cycle Management

CapitaLand's SBG is an in-house guide developed since 2007 to ensure environmental considerations are factored in at all stages of a project, from feasibility, design, procurement, construction, operations to redevelopment. Originally titled Green Buildings Guidelines, it was renamed in 2014 to reinforce the company's holistic approach towards sustainability.

Mitigating Climate Change Challenges and Identifying Opportunities through Design

As countries rally for action to mitigate climate change, more stringent regulations may be expected and companies will face increased expectations from stakeholders. By adopting the SBG, CMT aims to future-proof its developments by addressing the risks of climate change right from the design stage. Every project is studied in detail, and appropriate measures taken in consideration of climate change. SBG also sets guidelines for buildings to be less energy reliant, for examples, setting green building rating targets above legal requirements, and also encourage the use of renewable energy whenever possible.

The SBG is regularly reviewed to ensure continuous improvement, with a focus on four key objectives of minimising carbon footprint and energy consumption, water management, waste management and promoting biodiversity in the life cycles of its developments. Changes since inception include higher green building rating requirements, increased focus on biodiversity, use of certified wood and design for accessibility.

During the dry spell period, a majority of our properties will shut off external water features and postpone non-essential cleaning such as facade and car park cleaning to conserve water.

Air filters in our properties have been upgraded in view of the haze conditions in Singapore. During the haze period, N95 masks and bottles of water were distributed to staff working in outdoor conditions and to shoppers when needed.

Environmental Impact Assessment

A key component of the SBG is the mandatory Environmental Impact Assessment (EIA). An EIA is carried out during the feasibility stage of any development project. The significant findings of the EIA and their cost implications, if any, are incorporated in the investment paper submitted to the Board of Directors for approval.

The EIA focuses on identifying any environmental threats or opportunities related to the project site and its surroundings, covering areas such as floods, biodiversity, air quality, noise, connectivity, heritage and resources.

Biodiversity

CMT is committed to preserving the biodiversity of its sites as well as the wider area wherever possible. This is done by addressing any distinctive ecological features of the site, taking into consideration nature reserves on or near the site, protecting plant and animal species on the site and removing invasive plant species on or near the site. External experts will be engaged to provide advice when appropriate.

There is currently no site located within protected areas and no material biodiversity risk identified. Instead, CMT encourages greenery within its projects as it enhances the liveability of the project for its end-users and vitality of the surrounding communities over the long term.

Funan is being redeveloped as an ‘experiential creative hub’. Drawing inspiration from the development’s strategic location at the crossroad of heritage, business, politics and culture in the Civic and Cultural District, Funan aspires to be ‘a creative intersection’. As a new paradigm for live, work and play in Singapore’s city centre, Funan seeks to offer a synergistic combination of retail, office and serviced apartment components that is designed to appeal to tech- and socially-savvy consumers pursuing quality of life in a socially conscious and creative environment. Funan will serve as a lifestyle hub where consumers can engage in their passions, connect with like-minded people and use the space as a platform to inspire and express themselves.

In support of the country’s move towards a car-lite society and to promote healthy living, Funan will offer full amenities and end-of-trip facilities for cycling enthusiasts. Funan’s proposed streetscape on its ground floor features multiple access points and gentle slopes, which will make it easy for cyclists and pedestrians alike to enter the building.

Funan will feature a multi-level landscape strategy designed by the creation of a series of gardens. The landscape design concept centres on the theme of ‘Nature: City’. The landscape scheme relates to the surroundings by incorporating a water garden with views of Fort Canning and a roof-top communal garden with sweeping views of the Marina area and Central Business District. The roof garden will serve as a communal space giving back extensive spaces to the community to gather and enjoy.

The development will feature urban farms and edible gardens. The urban farm aims to showcase sustainable food production with a range of technologies, demonstrating the diversity and cyclical relationships of crop production.

Applying the ‘Nature: City’ approach to the design of Funan’s landscape will result in a rich and diverse public realm that flows through, up and over the development creating a strong identity and unified landscape, whilst providing unique and distinct spaces and experiences.

Our Environmental Results

Environmental Tracking System

Leveraging on CapitaLand’s Environmental Tracking System (ETS), we track energy and water usage, waste generation and carbon emissions for our operational properties.

The management team of each property submits monthly data and uploads supporting documentation into ETS. The data is analysed to facilitate a better understanding of consumption patterns and identify areas for eco-efficiency improvements.

Our Commitments

In line with CapitaLand’s long-term targets for the reduction of carbon emissions, energy and water intensities, our long-term targets (using 2008 as base year) are as follows:

- Reduce carbon emissions intensity by 23.0% by 2020
- Reduce energy intensity by 20.0% by 2020
- Reduce water intensity by 20.0% by 2020

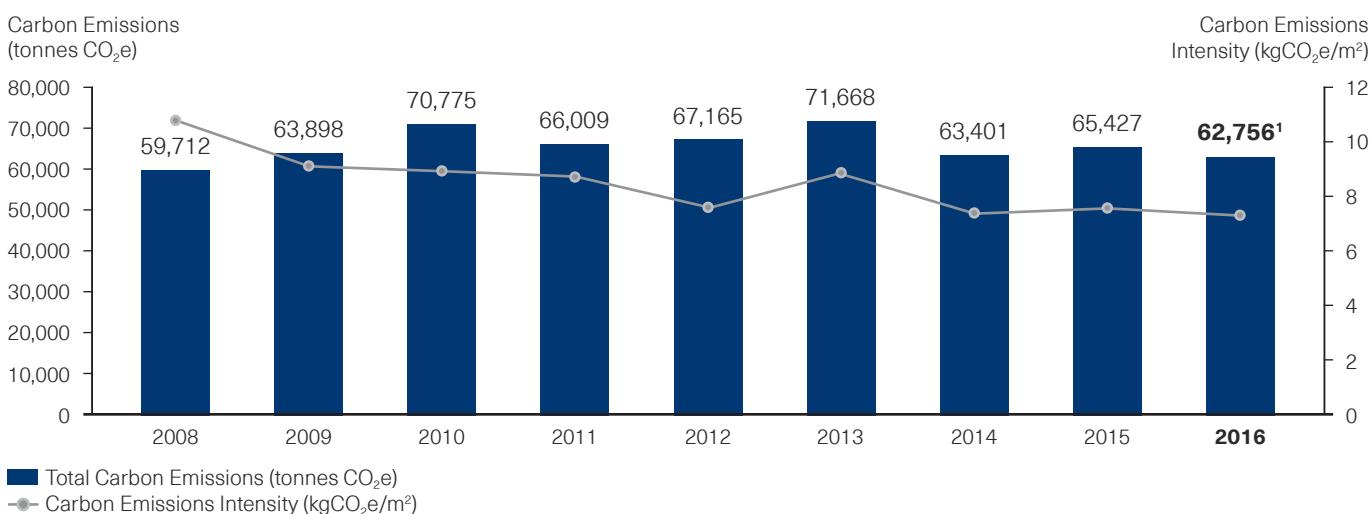
Sustainability Management

Carbon Emissions

CMT is committed to address climate change risks through the reduction of its energy consumption as well as its other carbon emissions in its business operations. Improving energy efficiency represents the largest and most cost-effective way to mitigate those emissions.

CMT's total carbon emissions in 2016 was estimated at 62,756¹ tonnes.

Carbon Emissions and Carbon Emissions Intensity



¹ For the month of December 2016, the carbon emissions at Bugis Junction, Plaza Singapura and The Atrium@Orchard was estimated based on their respective average carbon emissions in the months of September, October and November in 2016.

Most CMT's properties are located close to or integrated with mass rapid transit (MRT) stations and bus interchanges. This allows easy access to the surrounding communities and facilities via mostly covered/sheltered walkways. In addition to reduce the carbon emissions, CMT's properties are provided with bicycle lots to encourage shoppers and tenants to use greener modes of transport. There are about 360 bicycle lots across the CMT's properties. We collaborated with external partner BMW Group Asia to create awareness of lower carbon emission transport. We have installed the Plug-In Electric Vehicles (EV) charging stations at Raffles City Singapore, The Atrium@Orchard and Bukit Panjang Plaza. We have plans to install more EV charging stations in new locations. The increase in the use of such transport will reduce carbon emissions on the road.

CMT has installed a total of more than 1,400 square metres of solar panels at Bugis Junction, Sembawang Shopping Centre, JCube and Bedok Mall. The solar panels have helped our malls to tap on renewable energy source.

In collaboration with the Info-communications Media Development Authority of Singapore and SPRING Singapore, CMT has embarked on an In-Mall Distribution trial at Tampines Mall and Bedok Mall. The trial includes a dock scheduler and queue management system which enables logistic service providers and tenants with their own delivery fleet to book specific delivery timings at the malls. This reduces traffic congestion and trucks queuing outside the malls by ensuring that delivery timings do not clash.

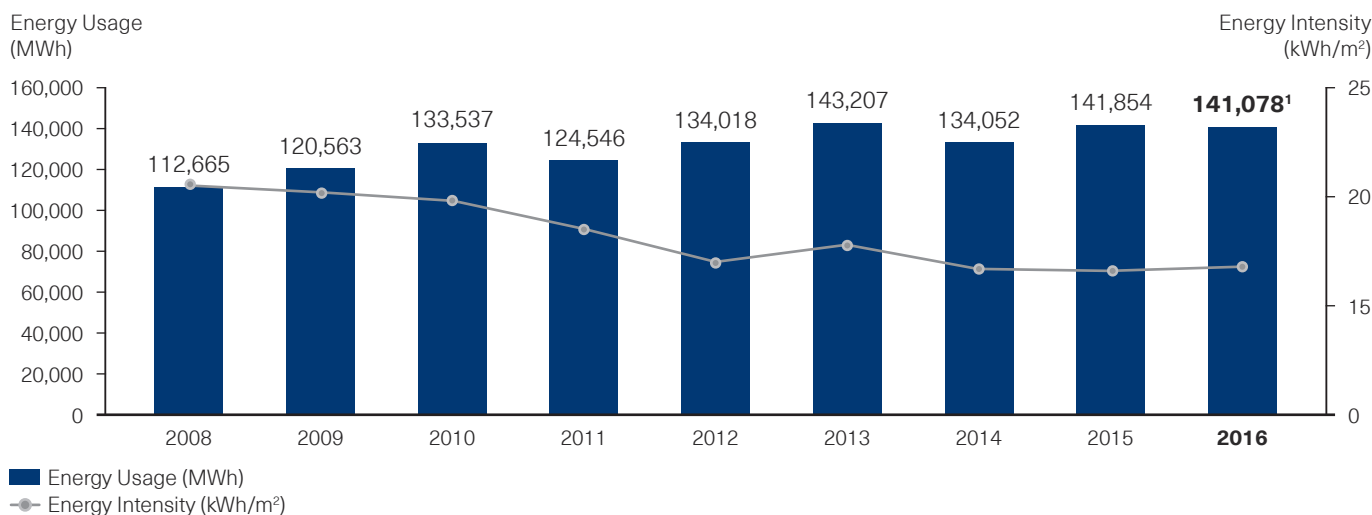


32.4%
 REDUCTION IN
 CARBON EMISSIONS
 INTENSITY

CMT's estimated carbon emissions intensity fell to 7.4 kgCO₂e/m², 32.4% reduction compared to 2008.

Energy

Energy Usage and Energy Intensity



- 1 For the month of December 2016, the energy usage of Bugis Junction, Plaza Singapura and The Atrium@Orchard was estimated based on their respective average energy usage in the months of September, October and November in 2016.



18.8%

**REDUCTION IN
ENERGY INTENSITY**

In 2016, CMT's energy usage was estimated at 141,078 MWh.

CMT reduced its energy intensity by 18.8% as compared to 2008.

Despite an increase in total energy usage due to expansion in its operational portfolio, CMT decreased its energy intensity measured in kilowatts-hour per square metre (kWh/m²) by 18.8% from base year 2008. CMT is on track to achieving its 2020 energy intensity reduction target.

In support of the World Wildlife Fund's annual Earth Hour campaign on 19 March 2016, all non-essential lights were turned off at CMT's properties.

CMT continues to implement various energy conservation measures, some of which are listed below. It also focuses on innovation to reduce energy consumption.

Focus	Initiatives and Measures
Central Air Conditioning System	Installed with Measurement & Verification (M&V) System to monitor daily system performance Perform preventive and periodic servicing and maintenance Auto tube-cleaning system Conduct energy audit periodically
Lighting	Replacing existing non-LED type with LED type Lighting power budget of not more than 22 Watts per m² as recommended in the fit-out guide given to tenants
Control, Metering and Monitoring	Building Management System Sub-metering
Renewable Energy	Photovoltaic (PV) system

Sustainability Management

Water

CMT is committed to reducing water usage and preventing water pollution. Water usage and discharge for each property is monitored and checked regularly.

CMT has a long-term target of 20.0% reduction in water intensity by 2020. This can be achieved through initiatives to ensure efficient operations and minimise water wastage.

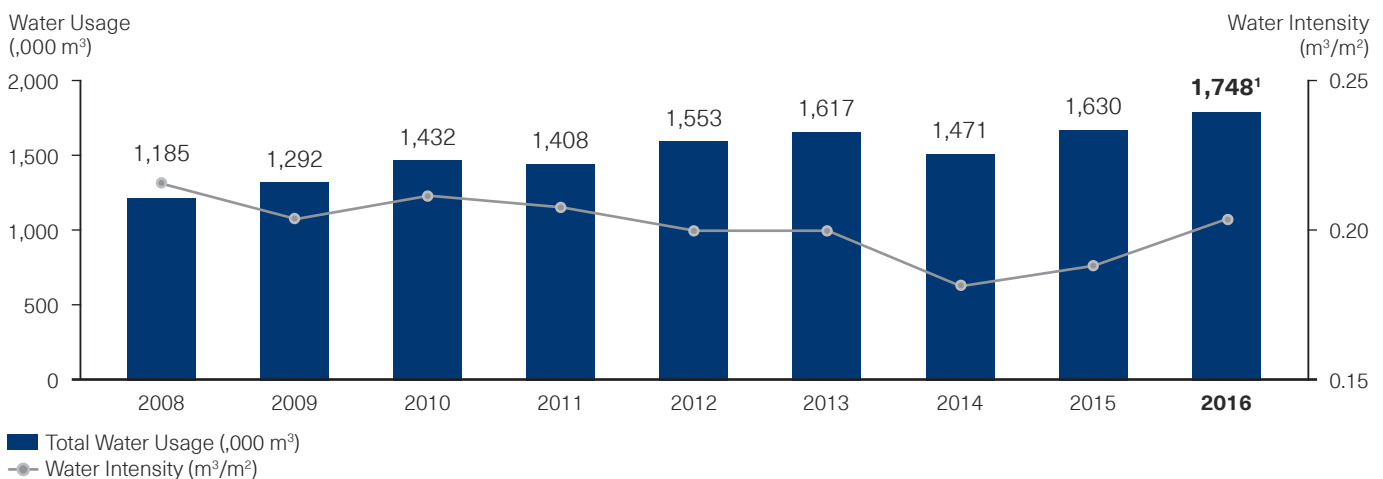


5.1%
REDUCTION IN
WATER INTENSITY

In 2016, CMT's water usage was estimated at 1.7 million m³. This included an estimated usage of 0.6 million m³ of NEWater.

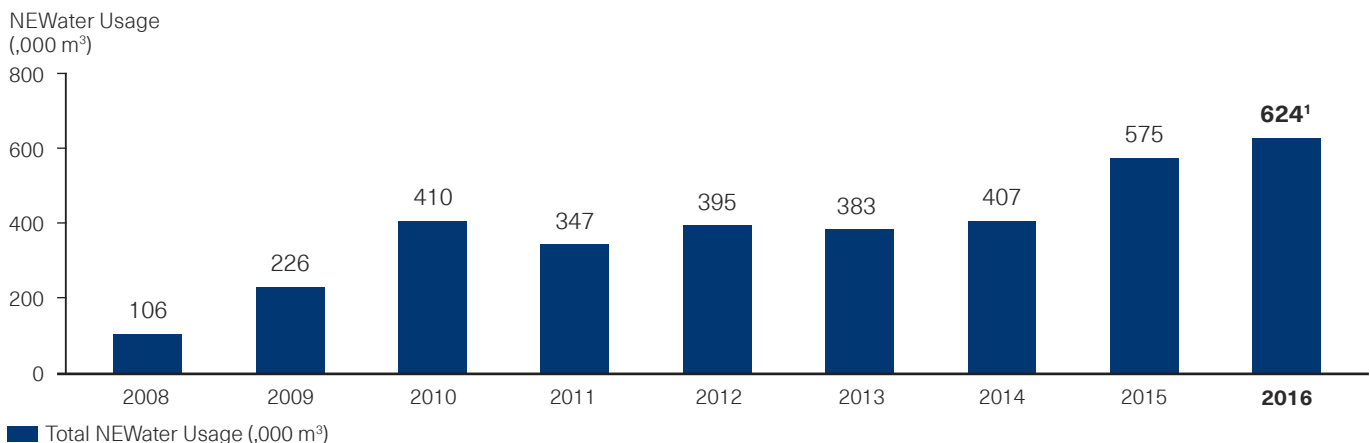
CMT reduced its water intensity by 5.1% as compared to 2008.

Water Usage and Water Intensity



1 For the month of December 2016, the water usage of Bugis Junction, Plaza Singapura and The Atrium@Orchard was estimated based on their respective average water usage in the months of September, October and November in 2016.

NEWater Usage



1 For the month of December 2016, the NEWater usage of Plaza Singapura was estimated based on its average NEWater usage in the months of September, October and November in 2016.

Focus	Initiatives and Measures
Recycling	Rain water harvesting, condensate water and sprinkler water discharge
Usage Reduction	Dual flush toilets, motion-activated water taps, flow regulators, rain sensor/timer irrigation system and perform toilet cleaning through auto alert once it reaches the traffic count limit
Control, Metering and Monitoring	Remote monitoring on water usage in toilets, wet playgrounds, cooling towers and hose reel tank

Waste Management

CMT aims to manage waste at its properties responsibly. As waste generated at its operational properties is mostly from its tenants, CMT engages its stakeholders through various means to minimise and recycle waste. Recycling bins are made available at all CMT's properties.

CapitaLand partnered with StarHub to roll out e-waste recycling bins at 10 of our malls to encourage shoppers and tenants to adopt e-waste recycling and address the increasing environmental and health concerns posed by improper handling of e-waste. The malls involved in this initiative are: Bugis+, Bedok Mall, IMM Building, JCube, Junction 8, Lot One Shoppers' Mall, Sembawang Shopping Centre, Plaza Singapura, Raffles City Singapore and Tampines Mall. This initiative built on the success of our first e-waste recycling programme at Funan DigitalLife Mall. It is also a natural progression of our waste recycling journey which started in 2008 with recycling bins for paper, metal and plastic in all of our malls.

CMT requires its main contractors to implement proper waste management procedures to minimise, properly manage and dispose the construction waste.

CMT continues to leverage Building Information Modelling (BIM) technology to improve the design and construction process through more integrated project coordination. BIM can perform clash detection before construction, identifying situations where mechanical and electrical services will clash with structural members. This detection saves time and cost of remedial work and minimises material wastage.



3.7%
REDUCTION
IN TOTAL WASTE

The collection and disposal of waste at all CMT's properties is carried out by National Environment Agency (NEA) licensed contractors. In 2016, we collected 25,892 tonnes of waste, which was 3.7% lower than 2015.

Sustainability Management

Innovating through Technology

We constantly innovate and improve our operations and shopping experience by leveraging on technology and collaborating with strategic partners. In 2016, we partnered with Certis CISCO to set up a dedicated central monitoring and response centre. This centre manages the surveillance, intercom and car park systems as well as monitors the fire alarm across a cluster of malls round-the-clock.

The smart use of technology enhances the real-time visibility and overall situation awareness and aids crisis management. It enables CMT to deploy security officers more effectively on the ground. This results in overall cost savings without compromising the level of security. By aggregating our needs, we are able to enhance productivity, leverage on economies of scale and optimise the investment in technological infrastructure.

The initiative was rolled out to eight of our malls. This move is in line with our support of the national productivity drive which has seen us adopting innovative solutions to increase productivity not just for our mall operations, but also for our tenants.

OUR PEOPLE

As an externally managed REIT, CMT has no employees and is managed by the Manager and Property Managers, which are indirect wholly owned subsidiaries of CapitaLand.

The teams behind the Manager and Property Managers responsible for property and portfolio operations in Singapore are identified as people or employees that are integral to CMT's success.

Fairness and Diversity

As wholly owned subsidiaries of CapitaLand, the Manager and Property Managers have a common goal of developing a high performance culture that embraces diversity and teamwork.

We are committed to be a workplace of choice for employees. CapitaLand has in place an integrated human capital strategy designed to recruit, develop and motivate employees. It adopts stringent principles of fair employment and equal remuneration. 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. We adhere to CapitaLand's policies on non-discriminatory employment practices. CapitaLand has signed the Employers' Pledge for Fair Employment Practices with The Tripartite Alliance for Fair and Progressive Employment Practices. CapitaLand adheres to five key principles of fair employment:

- Recruit and select employees on the basis of merit, such as skill, experience and ability, regardless of age, race, gender, religion or family status
- Treat employees fairly and with respect and implement progressive human resource management systems
- Provide employees with equal opportunities for training and development based on their strengths and needs, to help them achieve their full potential
- Reward employees fairly based on their ability, performance, contribution and experience
- Abide by labour laws and adopt Tripartite Guidelines which promote fair employment practices

We have a team of vibrant, motivated and qualified workforce. New hires represented 11.5% of the total headcount in 2016.

Our workforce comprises an almost equal proportion 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 2016, about 57.1% of senior management, comprising those at Vice President level and above, were female.

As per CapitaLand's non-discriminatory employment practices, to attract top talent, all job opportunities in the Manager and Property Managers are advertised publicly via online job portals and newspapers, with selections based entirely on merit. Skill and ability are the key criteria in the selection process.

Human Rights

As part of CapitaLand, one of the common goals is to uphold the spirit of international human rights conventions, such as the Universal Declaration of Human Rights and the International Labour Organisation (ILO) Conventions, against coerced labour and discrimination in any form. Singapore has to date ratified 20 ILO Conventions covering four key areas of employment standards: child labour, forced labour, collective bargaining and equal remuneration.

We have no acts of discrimination or human rights violation reported in 2016.

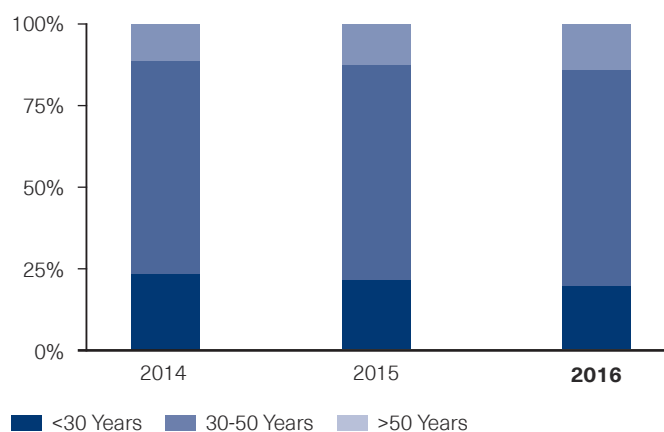
Positive Work Environment

We are committed to provide our staff with a positive and vibrant workplace that promotes personal development, good health and well-being as well as a rewarding career, which in turn results in a high performance culture and work-life harmony. Initiatives include flexible hours, a flexible medical and benefits plan, flexible work arrangements and employee engagement initiatives. Part-time employees are entitled to the same benefits on a pro-rata basis.

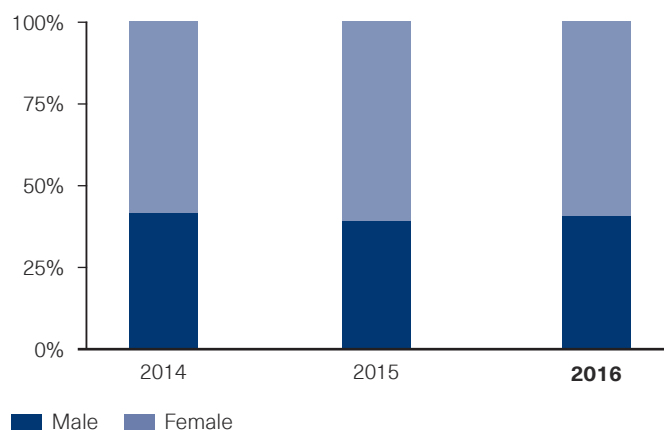
We advocate a pay-for performance philosophy to drive ownership of collective goals, leading to a high performance culture which creates long-term unitholder value. The robust performance management system ensures that all employees receive regular performance and career development reviews.

In 2016, 19 eligible female employees went on maternity leave and all returned to work. CapitaLand also provides paid paternity leave to all male employees in Singapore. In Singapore, the Central Provident Fund (CPF) is a comprehensive social security savings plan introduced by the Singapore Government to enforce savings by salaried workers to help CPF members work towards a secure retirement. Under the CPF scheme, employees make monthly contributions to the employees' CPF accounts in accordance with the prevailing regulations.

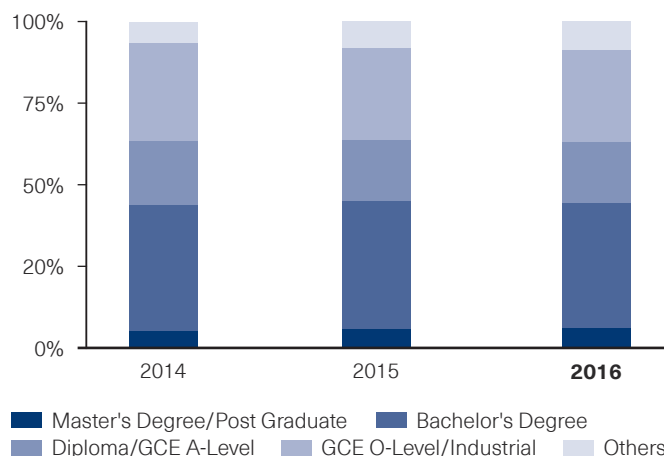
Workforce by Age



Workforce by Gender



Workforce by Educational Qualifications



Sustainability Management

Talent Management

We actively seek innovative, dynamic and talented employees both internally and externally to strengthen our bench strength and to support our growth. As part of our talent management strategy, talents are recruited at different points in their careers, from entry-level graduates to young, mid-career professionals and industry veterans. We have a systematic programme for all new hires to learn more about our business operations, strategy, core values and management philosophy. We continually build our management bench strength through identification of high potential talents as part of the regular succession planning process.

Our talent management programme comprises a set of organisational core competencies as well as position specific competencies. As part of the annual performance and career development review, all employees can openly discuss their performance and future aspirations with their supervisors. They broach topics such as possible career moves and recommended training plans.

Fair Remuneration

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 them to complement their personal medical and insurance needs with those provided by the company. Employees can thus customise their benefits to suit their needs.

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.

Almost 52.7% of employees have been with us for five years or longer. We also interview resigning employees as part of its continuing efforts to improve its retention policies and initiatives.

Learning and Development

We believe in talent cross-fertilisation and leverage on CapitaLand's Human Resource function to build people. As part of career development and to nurture employees' capability and personal traits, CapitaLand has formal classroom trainings, on-the-job exposure, mentoring/coaching and opportunities for job rotation.

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 2016, 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. CapitaLand has an in-house training hub, CapitaLand Institute of Management and Business (CLIMB) which serves the training and development needs of staff. 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.

Approximately 98.3% of staff attended at least one training event, and the average number of training hours completed by each employee for the year was more than 43 hours, above the recommended guide of 40 hours per annum. 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.

During the year, our employees also participated in study visits.

Job Security

CapitaLand is committed to providing meaningful jobs for its employees. This is in line with the Tripartite Guidelines on Managing Excess Manpower issued by the Singapore Ministry of Manpower together with its tripartite partners, Singapore National Employers Federation and the National Trades Union Congress.

CMA Green Day 2016 – 'Building a Greener Future'



In the true spirit of sustainability and green living, some 280 staff and their family members braced the rain and gathered at Marina Barrage on 7 October 2016 for the fifth CapitaLand Mall Asia (CMA) Green Day. CMA Green Day was held to recognise and reinforce employees' efforts in raising our standards in EHS.

These guidelines also suggest various arrangements such as providing company retraining programmes for workers, redeployment of workers to alternative areas of work, implementing flexible work arrangements and managing wage costs through a flexible wage system.

In the event of termination or employee resignation, there is a minimum notice period of one month that needs to be fulfilled, depending on the employee's job grade.

Freedom of Association

CapitaLand maintains a harmonious relationship with the Singapore Industrial & Services Employees' Union. In Singapore, CapitaLand is guided by the Industrial Relations Act that allows representation of staff by trade unions for collective bargaining, thus providing them with an avenue to seek redress for any industrial disputes. CapitaLand and the union enjoy a cordial working relationship, promoting positive working conditions and improving productivity for the mutual benefit of employees and the company. Currently, 40.8% of our workforce are union members.

Re-employment Opportunities

CapitaLand has a re-employment policy in place for employees who have reached the mandatory retirement age of 62 but are still able and willing to continue working for the company. In 2016, we have eight employees who were above retirement age.

Ethics and Integrity

CapitaLand adopts a strong stance against bribery and corruption. In addition to clear guidelines and procedures for the giving and receipt of corporate gifts and concessionary offers, where all employees are required to make a declaration on an annual basis where they pledge to uphold CapitaLand's core values and not to engage in any corrupt or unethical practices. This serves as a reminder to all employees to maintain the highest standards of integrity in their work and business dealings.

CapitaLand's zero tolerance policy towards bribery and corruption extends to its business dealings with third parties. Pursuant to this policy, CapitaLand requires that certain agreements incorporate anti-bribery and anti-corruption provisions.

A whistle-blowing policy and other procedures are put in place to provide employees and parties who have dealings with CapitaLand with well defined, accessible and trusted channels to report suspected fraud, corruption, dishonest practices or other improprieties in the workplace, and for the independent investigation of any reported incidents and appropriate follow up action. The objective of the whistle-blowing policy is to encourage the reporting of such matters so that employees or external parties making any reports in good faith will be able to do so with the confidence that they will be treated fairly and, to the fullest extent possible, be protected from reprisal.

CapitaLand adheres to an ethics and code of business conduct policy which deals with issues such as confidentiality, conduct and work discipline, corporate gifts and concessionary offers. Clear policies and guidelines on how to handle workplace harassment and grievances are also in place. The policies implemented aim to help to detect and prevent occupational fraud in mainly three ways. First, we offer fair compensation packages, based on practices of pay-for performance and promotion based on merit, to our employees. We also provide various healthcare subsidies and financial assistance schemes to alleviate the common financial pressures our employees face. Second, clearly documented policies and work procedures incorporate internal controls which ensure that adequate checks and balances are in place.

Sustainability Management

Periodic audits are also conducted to evaluate the efficacy of these internal controls. Finally, we seek to build and maintain the right organisational culture through CapitaLand's core values, educating our employees on good business conduct and ethical values.

This is reinforced by CapitaLand's policy and procedure on Business Malpractice Incidents (BMIs) that facilitates functional managers to swiftly report any BMI discovered in their workplace or in the course of their work directly to their respective Chief Executive Officers. Substantiated BMI cases are reported quarterly to the Audit Committee and shared with the risk champions regularly. Actions taken could include the termination of staff contract, and/or reporting to the appropriate external authorities.

To instill CapitaLand's core values and principles, new hires undergo the CapitaLand Immersion Program (CIP) which includes a mandatory module on anti-corruption policies and procedures. Employees were retrained to see how these values can apply to their daily work.

Staff Wellness

CapitaLand aims to provide a work environment that is safe and contributes to the general well-being of its employees.

In Singapore, CapitaLand implemented a Total Well-Being Programme to promote health and well-being of its staff. 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 2016, 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 also included CapitaLand Family Day at Gardens by the Bay, a movie day, a durian feast, a bowling challenge and an annual dinner party. CapitaLand combined its annual CapitaLand Volunteer Day and My Schoolbag programme at Raffles City Singapore in which our employees attended. Regular exercise sessions such as yoga and Zumba classes, continued to be organised to promote an active lifestyle. Tips on healthy living and exercise were updated on the CapitaLand's intranet.

We also supported annual national campaign 'Eat with Your Family Day' in May 2016 by giving employees time off to leave offices earlier to dine with their families. 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.

Staff Engagement

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 is shared with employees. These sessions include a question and answer session, where employees can ask questions and management seeks to gather feedback from them.

CapitaLand's intranet is a valuable platform to keep employees informed about the recent developments, including details on employment terms, benefits and practices as well as ethics and code of business conduct policies.

CapitaLand engages an independent consultancy firm to conduct a biennial Employee Engagement Survey (EES). The last survey was done in 2015 in which more than 97.0% of employees participated. An independent consultancy firm was appointed to administer the survey and to ensure confidentiality in soliciting honest responses from the staff. The results of EES 2015 have been shared with staff in the first quarter of 2016 and follow up action was planned subsequently.

HEALTH AND SAFETY

All employees are expected to take ownership of OHS issues, and are encouraged to be proactive in reporting all OHS-related incidences alongside non-compliance and non-conformities.

	2016	2015	2014
Number of work-related injuries	1.0	3.0	3.0
Work-related fatalities/permanent disabilities	0	0	0
Absentee rate (days per employee per year)	7.0	6.9	6.8

In 2016, we recorded an absentee rate of seven days. In terms of work-related injuries, there was one reported incident in 2016 versus three cases in 2015. The affected staff has since returned to work. We have also tightened safety measures and improved our standard operating procedures accordingly.

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

We have adopted an OHSMS which was certified to OHSAS 18001 international standards in 2009. The OHSMS is audited by a third-party accredited certification body.

Our OHS targets are:

- Zero incident 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 OHS laws and regulations in Singapore. During the year, we reported zero staff work-related permanent disability or fatality. All main contractors appointed in 2016, for projects with GFA of at least 2,000 square metres, were ISO 14001 and OHSAS 18001 certified.

We ensure our vendors are in compliance with local regulations and adequately trained and we briefed them on our EHS measures. We share our house rules to keep everyone abreast of the requirements when working in our properties. All our vendors are encouraged to achieve certification of bizSAFE Level 3 and above. A majority of our contractors and service providers are minimum bizSAFE Level 3 certified.

Our tenants' and shoppers' health and safety are of utmost importance and we have in place standard operating procedures to address potential OHS risks. We conduct evacuation drills to familiarise our tenants and staff on the emergency response plan.

Tampines Mall participated in Singapore's largest anti-terror exercise. Led by the Singapore Police Force, the multi-agency exercise stimulated a situation in which simultaneous terror attacks took place across multiple locations in Singapore. This is meant to test Singapore's readiness to deal with a major terrorist incident.

Our Operation Managers are appointed officially as Fire Safety Managers and they are certified by Singapore Civil Defence Force. Our Emergency Respond Teams also undergo certified trainings to ensure competency and all our properties are equipped with Automated External Defibrillators (AED). Our Property Managers undergo accredited trainings in AED, cardiopulmonary resuscitation and first aid every two years.

OHS is important to CMT, its employees, tenants, contractors, suppliers and the communities who use its properties.

Sustainability Management

OUR COMMUNITY

As satellite hubs, CMT's malls are strategic channels for engaging the local community through activities held in partnership with government and community organisations that support community causes, promote an inclusive society and educate shoppers on healthy living and environmental sustainability.

We are committed to building safe, accessible, vibrant and quality developments to enhance the lives of members of the community. Our social integration criteria include:

- Ensuring accessibility in the built environment to people of different age groups and varying mobility
- Enhancing connectivity to public transport, roads, amenities and between buildings
- Providing community spaces as public gathering points

These criteria are integrated into the CapitaLand's SBG to ensure that they are considered from the start of the project development process. Universal Design considerations ensure that public spaces in our projects are accessible to users of different age groups and varying abilities. These include:

- Seamless connectivity to the external surroundings, such as bus-stops, adjacent buildings, streets and sidewalks
- Barrier-free access from accessible parking lots/family parking lots to lift lobbies
- Sheltered and barrier-free drop-off areas
- Accessible (handicap) parking lots, family parking lots
- Designated pedestrian lanes in car parks
- Amenities such as accessible toilets, lifts and nursing rooms
- Duress alarms in accessible toilets
- Atrium spaces, libraries and children play areas

CMT has been awarded with BCA Universal Design Mark Awards for three of our developments:

JCube – Gold^{PLUS} (2013)
Westgate – Platinum (2015)
Bedok Mall – Gold^{PLUS} (2016)

All our properties have at least one disability access enabled facility. These facilities include accessible alighting and boarding bays, lifts, parking lots and public toilets. Our shopping malls are guide-dog friendly.

Most of our properties are conveniently located close to transport hubs such as MRT stations and bus interchanges. This allows easy access to the surrounding communities and facilities. Free shuttle bus services are also available at some of our properties. Bicycle parking facilities are also provided at many of our properties.

Westgate hosted the 'BCA Green Office' exhibition organised by BCA to educate the importance of environmental sustainability. Westgate was chosen as one of the few exhibition venues for its strategic location in the heart of Jurong East, with many offices and commercial buildings around the vicinity, and Westgate's Courtyard showcasing the property's green features.

During the year, we have collaborated with various non-profit organisations to bring various activities and events into our malls to promote heritage, community causes, healthy living and corporate social responsibility.

Heritage

Junction 8 partnered with the National Museum of Singapore in conjunction with Singapore Heritage Fest to bring in the 'Kampung Spirit, Kampung Fun' exhibition. Shoppers were reacquainted with kampung life in Singapore through traditional games such as five stones, congkak, hopscotch and capteh.

Sembawang Shopping Centre collaborated with the National Heritage Board to bring in 'Tales from our Shores'. With a storyboard-like set up, 'Tales from our Shores' brought shoppers back to the time of Singapore's very own folklore, and how they relate to the many familiar places around the island such as the Sembawang Hot Spring.

Community Causes

For the second year running, Bedok Mall partnered Kampong Chai Chee Community Centre Youth Executive Committee, FairPrice Finest and Bethesda Cathedral to organise the 'Canstruction' event. Bedok Mall successfully entered the Singapore Book of Records with the 'Largest Sculpture made of Canned Food'. All the canned food collected were then distributed to the less privileged families in Bedok.

Bugis+ supported the Yellow Ribbon Project roadshow where products made by inmates such as cookies, paintings and pottery items were sold. Proceeds from the sale of these items at the mall went to the Yellow Ribbon Fund, which supports programmes for ex-offenders and their families.

Lot One Shoppers' Mall (Lot One) hosted the Signature Love Project by National University of Singapore (NUS) where funds were raised to aid single mothers and their young children to improve their social mobility capabilities. The mall also hosted the Touch of the Hearts Charity Carnival by NUS students to raise funds for Rainbow Centre.

Tampines Mall was the venue sponsor for ‘Stay Prepared’, a Temasek Cares’ community outreach event, held with the aim of preparing the community to be ready for the unexpected. Shoppers acquired useful first aid skills and knowledge during the three-day event to prepare them for unforeseen incidents.

JCube hosted the Neighbourhood Police Centre Anti-Scam roadshow to engage the public and promote scam awareness through informative exhibition panels, games and videos. The event was graced by Ms Grace Fu, Minister for Culture, Community and Youth.

Westgate hosted the Skills Future Marketplace event organised by the Workforce Development Authority to educate the community on how to equip themselves for a better future and stay relevant in the workplace. The event was graced by Deputy Prime Minister, Tharman Shanmugaratnam.

Environment

Bedok Mall supported the World Wildlife Fund roadshow to enhance the awareness among the public of the impact of deforestation and haze pollution on wildlife and educate the importance of forests in the ecosystem.

To raise the importance of recycling during the Christmas festive season, Raffles City Singapore and Lot One partnered Coca-Cola® to give recycled bottles a new lease of life in the form of life-size snowy Christmas displays. Coca-Cola® Recycle Happiness machine was also stationed beside the displays. Surprise gifts were dispensed from the machine with each bottle recycled by shoppers. CapitaLand Hope Foundation donated S\$2 to Community Chest-supported Rainbow Centre (Margaret Drive) for every bottle recycled.

Healthy Living

In collaboration with the local community clubs, community development councils, Sport Singapore and Health Promotion Board, Bukit Panjang Plaza, Clarke Quay, IMM Building, JCube, Junction 8, Lot One and Westgate hosted regular weekday after 6 pm fitness sessions at the community plazas. These include workouts such as kickboxing, aerobics, Zumba and qi gong.

Bukit Panjang Plaza hosted Health Promotion Board’s ‘Eat, Drink, Shop Healthy And Win Big!’ event in October 2016. Shoppers were entitled to one lucky dip chance to win shopping vouchers with any purchase of a healthier dish, lower-sugar drink or groceries with the Healthier Choice Symbol.

JCube, IMM Building and Westgate partnered with Health Promotion Board to host the National Steps Challenge Season 2 launch roadshow to promote healthy living in Singapore. A walk and win contest was held as part of this event at the J-Walk link bridge between IMM Building and Westgate to encourage the use of the link bridge as part of an exercise routine.

In support of ‘Get Active! Singapore’ week-long sporting bash during National Day organised by Sport Singapore, Bedok Mall, Junction 8 and Lot One held an After 6 Reboot SG51 Sprint Relay Challenge. The challenge was held on weekdays after 6 pm for a week to promote regular exercise. It was a race where participants paired up and strived to complete a running distance of 51 metres together in the shortest time to win attractive prizes.

My Schoolbag

CapitaLand’s key annual corporate social responsibility programme ‘My Schoolbag’, held for the eighth consecutive year reached out to 1,000 underprivileged children from low-income families. The guest-of-honour of the event was Mr Tan Chuan-Jin, Minister for Social and Family Development. Each child was given a new school bag, new stationeries and daily necessities. More than 400 child beneficiaries were brought to Raffles City Singapore for a half day edutainment programme where they were treated to a Little Architect Skit, kids workout as well as art and craft workshops. The CapitaLand-People’s Association Community Development Fund was launched at the event. The fund was set up to support 1,000 children aged six to 13 in the form of daily necessities and educational activities. The fund will also support the children with one meal for each school day for a year. More than 200 staff volunteers took part in the event.

Programme for Tenants

Biz+ Series 2016, a tenant engagement programme comprising seminars, workshops and networking sessions, was themed on ‘Bridging the Online-to-Offline (O2O) Gap in Retail’. Three seminars were held centred on this theme to help retailers be aware of and identify growth opportunities in the evolving consumer retail landscape. Industry experts in new mobile payment modes and digital marketing tactics were invited to share insights on how retailers can engage customers from the online to the offline space.

A CEO breakfast roundtable session titled ‘Upsize: Millennial Customers’ was also organised in September 2016 where leaders of various retail brands came together for a lively discussion on ways to adapt to the millennials to secure their business and loyalty as they become the upcoming influential group of consumers in the next 15 years.