

# SUSTAINABILITY MANAGEMENT

## CREATING VALUE AND ALIGNMENT TO UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)

In alignment with CapitaLand, CMT referenced the Guiding Principles of the International Integrated Reporting Council (IIRC) Framework and group our material ESG issues into six Capitals.

The Capitals are mapped against some of CMT's main efforts and programmes in relation to the key UN SDGs. The UN SDGs call on companies to advance sustainable development through the investments they make, solutions they develop, and business practices they adopt. The goals encourage companies to reduce their negative impacts while enhancing their positive contribution to the sustainable development agenda.

Capitals	Material Issues	What we do	2019 Value Created
<b>Financial</b> <ul style="list-style-type: none"> <li>Earnings</li> <li>Equity</li> <li>Investments</li> <li>Assets</li> </ul>		<ul style="list-style-type: none"> <li>Combination of operating income from investment properties, disciplined approach to investments as well as proactive portfolio and capital management</li> <li>Execute portfolio reconstitution strategy to create value</li> </ul>	<ul style="list-style-type: none"> <li>Refer to Financial Highlights on page 8 to 9</li> </ul>
<b>Organisational</b> <ul style="list-style-type: none"> <li>Leadership &amp; culture</li> <li>Corporate governance</li> <li>Risk management</li> </ul>	<ul style="list-style-type: none"> <li>Compliance</li> <li>Business ethics</li> <li>Stakeholder engagement</li> </ul>	<ul style="list-style-type: none"> <li>CapitaLand is a signatory to the UN Global Compact. As part of CapitaLand, CMT has implemented key efforts and programmes in relation to the key UN Sustainable Development Goals</li> <li>CMT is aligned with CapitaLand's Supply Chain Code of Conduct which influences its supply chain to operate responsibly in the areas of anti-corruption, human rights, health and safety, as well as environmental management</li> <li>All employees are required to make an annual declaration to uphold CapitaLand's core values and not to engage in any corrupt or unethical practices</li> <li>Requires certain of its agreements with third-party service providers and vendors to incorporate anti-bribery and anti-corruption provisions</li> <li>Requires main contractors to ensure no child labour and forced labour at project sites</li> </ul>	<ul style="list-style-type: none"> <li>Refer to Corporate Governance on page 32 to 63</li> <li>No reported incident relating to discrimination, child labour or forced labour in CMT</li> </ul>
<b>SDG 16</b>			
<b>Environmental</b> <ul style="list-style-type: none"> <li>Carbon emissions</li> <li>Energy management</li> <li>Water stewardship</li> <li>Waste and resource management</li> </ul>	<ul style="list-style-type: none"> <li>Energy efficiency</li> <li>Climate change and emissions reduction</li> <li>Water management</li> </ul>	CMT is aligned with CapitaLand's commitment to: <ul style="list-style-type: none"> <li>Reduce water consumption, reuse water and prevent water pollution</li> <li>Reduce energy consumption through improved energy efficiency and encourage use of renewable energy.</li> <li>Green its operational portfolio by 2030</li> <li>Actively embrace innovation to ensure commercial viability without compromising the environment for future generations.</li> <li>Future-proof its developments by addressing the risks of climate change right from the design stage</li> <li>Preserve the biodiversity of its sites and the wider area where possible.</li> <li>Build safe, accessible, vibrant and quality real estate developments to enhance the lives of its shoppers, tenants and members of the community</li> </ul>	<ul style="list-style-type: none"> <li>Reduced energy intensity by 24.5%</li> <li>Reduced carbon emission intensity by 43.1%</li> <li>Reduced water intensity by 20.0%</li> <li>Achieved Green Mark certification for all CMT properties. Out of the 15 properties, 14 are certified Green Mark Gold and above</li> </ul>
<b>Manufactured</b> <ul style="list-style-type: none"> <li>Environmentally sustainable, healthy, safe and accessible quality buildings</li> <li>Innovative and sustainable construction methods and technologies</li> </ul>	<ul style="list-style-type: none"> <li>Building materials</li> <li>Construction and operational waste</li> <li>Biodiversity</li> <li>Stakeholder engagement</li> </ul>		
<b>SDG 3, 6, 7, 9, 11, 13, 15</b>			

Capitals	Material Issues	What we do	2019 Value Created
<p><b>Manufactured</b></p> <ul style="list-style-type: none"> <li>• Environmentally sustainable, healthy, safe and accessible quality buildings</li> <li>• Innovative and sustainable construction methods and technologies</li> </ul> <p><b>Human</b></p> <ul style="list-style-type: none"> <li>• Health and safety</li> <li>• Job creation and security</li> <li>• Learning and development</li> <li>• Benefits and remuneration</li> </ul>	<ul style="list-style-type: none"> <li>• Occupational health &amp; safety</li> <li>• Supply chain management</li> <li>• Employment</li> <li>• Diversity</li> <li>• Human rights</li> </ul>	<ul style="list-style-type: none"> <li>• CMT believes all employees can make a significant contribution based on their talent, expertise and experience, regardless of ethnicity, age or gender. We adopt consistent, equitable, and fair labour policies and practices in rewarding, as well as developing employees</li> <li>• CapitaLand is a signatory to the UN Global Compact. As part of CapitaLand, CMT has implemented key efforts and programmes in relation to the key UN Sustainable Development Goals</li> <li>• Provide a work environment that is safe and contributes to the general well-being of its employees</li> <li>• CMT values the occupational health and safety of our stakeholders who access our properties. The stakeholders include employees, tenants, contractors, suppliers and the communities</li> </ul>	<ul style="list-style-type: none"> <li>• An almost equal proportion of males and females, at a ratio of 44:55</li> <li>• 64.0% of CMT's workforce was aged between 30 and 50</li> <li>• About 65.3% of employees who are manager and above were women</li> <li>• About 59.1% of senior management were women</li> <li>• Over 22 training hours per employee.</li> <li>• Zero employee fatality or permanent disability</li> <li>• 100% of main contractors appointed for new development projects were both ISO 14001 and OHSAS 18001 certified</li> </ul>
<p><b>SDG 3, 8, 10</b></p> <p><b>Social and Relationship</b></p> <ul style="list-style-type: none"> <li>• Stakeholder relations</li> <li>• Social licence to operate</li> <li>• Community development</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholder engagement</li> <li>• Products and services (include customer health and safety)</li> </ul>	<ul style="list-style-type: none"> <li>• CMT is committed to activities that are aligned with its focus on community investment. We engage our stakeholders, raising awareness in the areas of philanthropy, environment, health and safety</li> </ul>	<ul style="list-style-type: none"> <li>• All CMT's properties participated in the WWF Earth Hour initiative</li> <li>• CHF donated S\$300,000 towards six charities under President's Challenge and S\$3,450 towards Community Chest in support of Care Corner Singapore</li> </ul>
<p><b>SDG 1, 2, 4</b></p>			

# SUSTAINABILITY MANAGEMENT

## MANUFACTURED CAPITAL

### Social Integration

As satellite hubs, CMT's properties are strategic channels for community engagement. We are committed to building safe, accessible, vibrant and quality developments to enhance the lives of communities around our operations.

Our social integration criteria, which factor universal design considerations 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 design considerations are integrated into 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 properties 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 (handicapped) and family parking lots to lift lobbies
- Sheltered and barrier-free drop-off areas
- Accessible (handicapped) and family lots
- Designated pedestrian lanes in car parks
- Amenities such as accessible toilets, lifts and nursing rooms
- Atrium spaces, libraries and play areas for children

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

### Supply Chain Management

We work closely with our contractors and suppliers who are committed to high quality, environmental, health and safety standards.

Contractors are only appointed upon meeting the group's stringent selection criteria, including environment, health and safety. All main contractors appointed have to be ISO 14001 and OHSAS 18001 certified. Majority of our contractors and service providers are minimum bizSAFE Level 3 certified.

In 2019, main contractors appointed for projects with gross floor area of more than 2,000 sq m were ISO 14001 and OHSAS 18001 certified.

We ensure our suppliers and service providers are in compliance with local regulations. We share CapitaLand's EHS policy with our suppliers and service providers to ensure that they are sufficiently trained or briefed in EHS measures. We also share with them CapitaLand's Supply Chain Code of Conduct to encourage our supply chain to operate responsibly in the areas of anti-corruption, human rights, health and safety, and environmental management.

## HUMAN CAPITAL

### Our People

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

The teams behind the Manager and Property Managers, of more than 500 employees, are responsible for CMT's property and portfolio operations in Singapore. We recognise that people are our greatest asset contributing to the success of the business. Our workforce comprises mainly full-time and permanent employees who are based in Singapore.

### Employment Fairness and Diversity

CapitaLand has in place an integrated human capital strategy designed to recruit, develop and motivate employees. As wholly owned subsidiaries of CapitaLand, the Manager and Property Managers are committed to developing a high-performance work culture that embraces diversity and collaboration.