



CapitaLand Limited
Global Sustainability Report
2013

Clarity

For Sustainable
Growth



Contents

Introduction	1
Corporate Profile	1
Highlights	2
About this Global Report	4
Managing Sustainability	5
President & Group CEO's Message	9
Financial Performance	11

Governance

12

Environment	17
Measuring Our Performance	21
Managing Our Environmental Footprint	22
Tracking with Our Environmental Tracking System	29
Engaging Our Community	35

People

39

Human Capital	39
Occupational Health and Safety	45

Community

53

Community Development	53
Social Integration	63

Awards & Accolades	67
Material Aspects & Boundaries	68
GRI Index	69
Independent Assurance Statement	74

Clarity

Clarity enables us to enhance organisational performance through operational excellence and efficiencies.

Introduction

Corporate Profile

CapitaLand is one of Asia's largest real estate companies. Headquartered and listed in Singapore, the company's businesses in real estate and real estate fund management are focused on its core markets of Singapore and China.

The company's diversified real estate portfolio primarily includes homes, offices, shopping malls, serviced residences, integrated and mixed-use developments. The company also has one of the largest real estate fund management businesses with assets located in Asia. CapitaLand leverages its significant asset base, real estate domain knowledge, product design and development capabilities, active capital management strategies and extensive market network to develop real estate products and services.

The listed real estate investment trusts in the CapitaLand Group are Ascott Residence Trust, CapitaCommercial Trust, CapitaMall Trust, CapitaMalls Malaysia Trust and CapitaRetail China Trust.

Mission & Vision

To build a world-class company, with an international presence and a strong global network, that is managed by people whose core values are respected by the business and social community to:

- Create sustainable shareholder value
 - Deliver quality products and services
 - Attract and develop quality human capital
-

Core Values

- Our people are our strength. We build people to build for people.
 - We are committed to the highest standards of integrity.
 - We have the courage to do what is right and the will to succeed.
 - We add value to what we do through innovation and continuous improvement.
 - We are fair and reasonable in all our actions and dealings with business partners, customers and colleagues.
 - We contribute to the well-being of the community.
-

Introduction

FY2013 Highlights

Global 100

Most Sustainable Corporations by Corporate Knights since 2012

Top **15%** Performing ESG Companies listed in Sustainability Yearbook 2013

Listed in **Dow Jones Sustainability World Index** since 2012 and Asia Pacific Index since 2009

Won for the 13th consecutive year the **“Most Transparent Company (Real Estate)”** award by the Securities Investors Association Singapore



Risk management in **15 countries** through external ISO 14001 and OHSAS 18001 certification



MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM ●

Introduction

FY2013 Highlights

Increased operational efficiency (per m²) since 2008 with energy and water reduction of **13.0%** and **20.4%** respectively

Cost avoidance in excess of **S\$53 Million** for utilities since 2009



Over **3.5 million kilogrammes** of recyclable waste collected from 66 properties



 **Women** account for about **18%** in the board, **33%** in top management positions and **51%** in managerial positions

53 training hours per employee, well above recommended industry guide of 40 hours

Employees from more than **80 different nationalities**

About **S\$2.5 Million** donated by CapitaLand Hope Foundation

CapitaLand staff volunteered about **17,000 hours**

Introduction

About this Global Report*

CapitaLand reiterates its commitment to sustainability with the publication of its fifth Sustainability Report.

Global Reporting Initiative (GRI) Guidelines

This report is based on the GRI Global 4 Sustainability Reporting Guidelines, in accordance with the Core level requirements outlined in the G4's reporting standards, and has achieved a "Materiality Matters" Check by GRI. It includes the Group's management approach in integrating sustainability into its policies, structure, management and operations. It shares the Group's sustainability journey, provides insights into its strategies, as well as highlights the economic, environmental and social aspects of the Group's developments and operations, in particular in Singapore and China.

Reporting Scope and Period

This report covers CapitaLand's international portfolio in over 20 countries from 1 January to 31 December 2013 unless otherwise indicated. It excludes data from Australand, a listed entity which was reviewed and classified as a regional investment in 2013, and divested in early 2014. The reporting period aligns with the Group's financial year.

CapitaLand is a Gold Member of the Singapore Compact for Corporate Social Responsibility (CSR), a national society committed to promote sustainable development for business and stakeholders in Singapore. It is also working towards the publication of the Communications for Progress (CoP) for the United Nations for Global Compact which it aims to sign in 2015.

This report supplements the Group's 2013 Annual Report which can be found on www.capitaland.com

Through this Global Sustainability Report, CapitaLand hopes to share its sustainability commitment with its various stakeholders, including the employees, investors, customers, business partners, suppliers and contractors, the community and the government and national agencies.

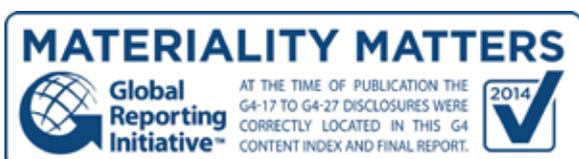
In line with CapitaLand's continued commitment to environmental sustainability, no hard copies have been printed. This report is available online at <http://www.capitaland.com/sustainability/sustainability-report>.

Independent Assurance

CapitaLand appointed an independent third party, Ere-S Pte Ltd, a consulting company specialising in business sustainability, to provide independent assurance for this report. The content of this report was reviewed and the accuracy and reliability of its statements and figures were validated. The assurance included the evaluation of the Group's sustainability behaviour and sustainability performance, based on the AA1000 Assurance Standard. All underlying systems and processes that support the Group's sustainability framework were reviewed, in adherence to the AA1000 AccountAbility Principles of inclusivity, materiality and responsiveness. The independent assurance statement provides a summary of the audit report findings.

Feedback

We welcome feedback from our stakeholders as this enables continuous improvement in our sustainability policies, processes and performance. Please send your comments and suggestions to ask-us@capitaland.com



*G4-17 and G4-23

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(Reg No. 198900036N)

Introduction

Managing Sustainability*

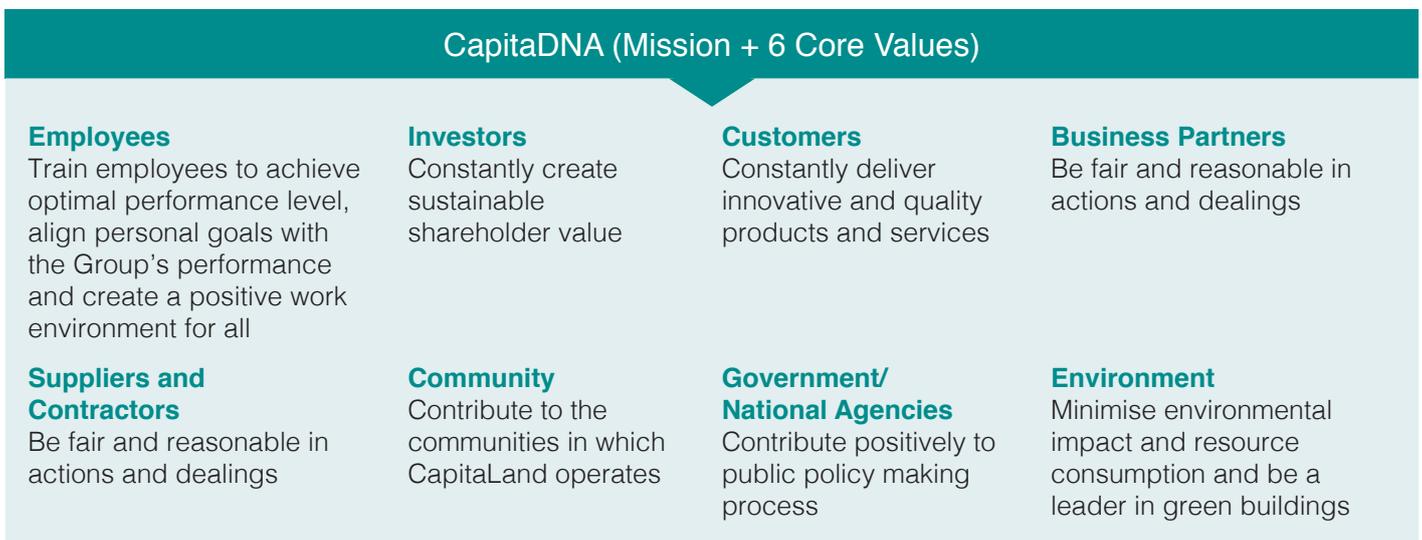
Sustainability Commitment

CapitaLand's sustainability strategy is based on its credo 'Building People'. CapitaLand is committed to improve the economic, environmental and social well-being of its stakeholders through its execution of development projects and management of its operations. In a rapidly changing environment, it actively embraces innovation to ensure commercial viability without compromising the environment for future generations.

CapitaLand upholds high standards of corporate governance and transparency to safeguard shareholders' interests, and has an adequate and effective enterprise risk management system to enhance its business resilience and agility. CapitaLand's proactive approach towards environmental, health and safety management, which incorporates universal design into its developments ensures that its properties are future-proofed and sustainable. Policies and guidelines are also established for the efficient use of energy, water and other resources.

CapitaLand's integrated human capital strategy aims to recruit, develop and motivate employees to drive growth for the Group. Community development is an important component of CapitaLand's commitment to sustainability. Its social investment aims to build a sustainable future for underprivileged children through corporate philanthropy and employee volunteerism.

For its efforts, CapitaLand was listed in the Global 100 Most Sustainable Corporations in the World, Sustainability Yearbook, Dow Jones Sustainability World Index and Dow Jones Sustainability Asia Pacific Index.



Sustainability Reporting

CapitaLand is one of the first companies in Singapore to voluntarily publish its Sustainability Reports according to the Global Reporting Initiatives (GRI) Guidelines. It is committed to cover its Group-wide property portfolio in more than 110 cities in over 20 countries.

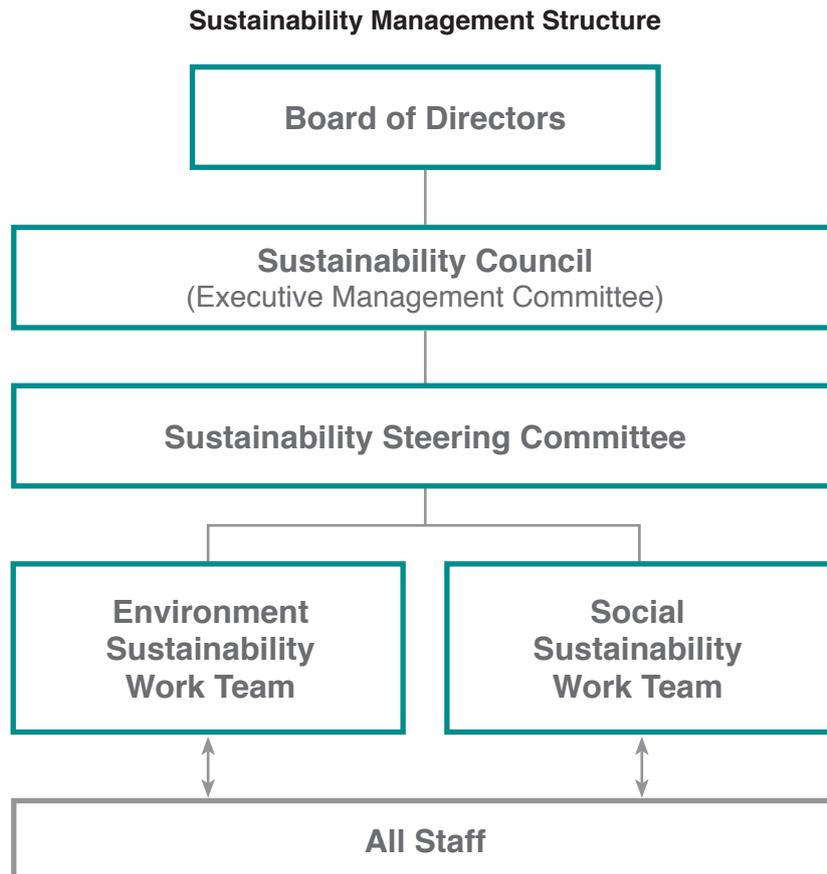
By benchmarking against an international standard and framework with external validation, as well as top management's commitment and a set of Group-wide Green Buildings Guidelines, CapitaLand has overcome some of the challenges to sustainability reporting posed by its diversified geographical presence.

*G4-24 to G4-27

Introduction

Moving Ahead

CapitaLand will enhance its sustainability efforts by incorporating existing structures into a Sustainability Management framework. It will be led by a Sustainability Council which comprises members of CapitaLand's Executive Management Committee and supported by a Sustainability Steering Committee which will oversee two work teams to ensure the Group's continued progress and improvement in the areas of environment, social and governance (ESG). The Sustainability Steering Committee and work teams will comprise representatives from all business units.



Introduction

Stakeholder Engagement*

Stakeholder	Issues/Interest	Selected examples of our response
Shoppers	Family-friendly facilities	Family rooms for young children to play in Nursing rooms for mothers
	WiFi connectivity	Free WiFi implemented in two Singapore shopping malls
	Easy access to public transport	Shuttle buses bring shoppers to train stations (Singapore)
Customers	User-friendly layout for residents	Testbed layouts for residential and serviced residence projects in InnoHub
	Quality of housing	BCAT team provides guidance and independent audit checks on quality in Singapore and overseas residential developments Achieving Building and Construction Authority (BCA) Quality Mark for Singapore residential projects
Tenants	Opening of new offices/shopping malls	Testbed office and shopping mall projects
	Green lease	Sample shop layouts improve retailers' understanding of environmental sustainability
	Increase their business in CapitaLand shopping malls	Organised three Biz+ seminars and one CEO Breakfast Roundtable in areas such as service excellence, productivity with innovation. These initiatives help retailers to improve their business operations in shopping malls Attract traffic to shopping malls through CapitaVouchers programme Provide in-depth shoppers insights through CAPITASTAR programme
Investors	Return on investment	Simplify organisational structure Operational efficiency Better tracking and declaration of monetary savings and cost avoidance Identify and mitigate potential governance, environmental, health and safety (EHS) risks
Employees	More interaction among staff within the organisation	Quarterly staff communications, <i>iConnect</i> (e-newsletter), new communications / feedback channels, e.g. iHub, dedicated ask Group CEO email address Follow up on 2012 Employee Engagement Survey Employee volunteer programmes
Community/NGOs	Education	CapitaLand Hope Schools Philanthropic and environment programmes
	Environment	Planting of trees and mangroves to prevent desertification and erosion in China, India, Japan Giant Panda conservation programme
Supply Chain-main contractors, vendors, suppliers	Recognition for exceeding requirements in CapitaLand projects	Incentives
	Learning of best practice	Standard operating procedures (SOPs) for their compliance
Government/National agencies/NGOs	Building	Board Member, Singapore Building and Construction Authority (BCA)
	Environment	Board Member, Singapore Green Building Council Member, BCA Green Mark Advisory Committee
	Quality	Quality Ambassador, BCA
	Social integration	Universal Design Ambassador, BCA
	Health and safety	Member, Construction and Landscape Committee, Workplace Safety and Health Council

*G4-18

Introduction

There is a regular review, assessment and feedback process in relation to environment, social and governance topics. Key to this is Enterprise Risk Management conducted annually which includes relevant ESG aspects such as fraud and corruption risks, environment risks, health and safety risks and human capital risk. On-going channels for feedback to ensure relevance of issues include:

Environment	<ul style="list-style-type: none">• Regular dialogue/feedback sessions with government agencies (Building and Construction Authority, National Environment Agency)• Active participation in Singapore Green Building Council
Social	<ul style="list-style-type: none">• Regular dialogue with government agencies, unions• Active participation in Singapore Workplace Safety and Health Council• Bi-annual employee engagement survey and annual staff survey on occupational health and safety in Singapore• CapitaLand Vision and Values Staff Survey
Governance	<ul style="list-style-type: none">• Active participation in Investor Relations Professionals Association (IRPAS),• Engagement with Securities Investors Association Singapore (SIAS) for the annual Corporate Governance Conference

Materiality

Through its regular stakeholder engagement, CapitaLand identifies and reviews material issues that are most relevant and significant to the Group and its stakeholders. This report focuses on areas identified as material to CapitaLand, namely corporate governance, environment, human capital, occupational health and safety, community development and social integration, especially in its key markets of Singapore and China.

For CapitaLand, priorities are ranked based on the likelihood and potential impact of issues affecting business continuity and development. For external stakeholders, priority is given to issues important to society and relevant to CapitaLand.

President & Group CEO's Message

Dear Stakeholders

CapitaLand is committed to build a sustainable future for our stakeholders and for generations to come. Guided by our core values, we conduct our business, interact with stakeholders and contribute to the well-being and benefit of our staff and the community in an ethical and responsible manner. We want to build a lasting company that adds value to our stakeholders across our real estate portfolio of homes, shopping malls, offices, serviced residences and mixed-use developments. Our healthy financial position is reflected in CapitaLand posting revenue of S\$3.98 billion, and net profit after tax and minority interest (PATMI) of S\$849.8 million in 2013.

We simplified our organisational structure in January 2013 into four core businesses – CapitaLand Singapore, CapitaLand China, CapitaMalls Asia (CMA) and The Ascott Limited (Ascott). This allows the Group to sharpen its focus, and better leverage and harness strategies across the four core businesses; achieve greater economies of scale; enhance our competitive advantage in mixed-use developments; and deepen our leadership positions in shopping malls and serviced residences.

Beyond sustained profitable growth, we aim to be vigilant in conducting our business and interacting with stakeholders in a fair and reasonable manner, maintaining the highest level of integrity at all times.

We understand how buildings touch the lives of homeowners, shoppers, tenants and serviced residence guests, and members of the public. As such, we are committed to build developments that are environmentally sustainable, accessible, to the highest quality and ensure their health and safety. It is important that our stakeholders benefit from healthy indoor air quality, operational efficiency, lush greenery, safe and accessible layout and features at our developments.

Environmental sustainability makes good business sense. In 2013, we increased operational efficiency (per m²) with energy and water consumption reduction of 13.0% and 20.4% respectively for our operational properties, and reduced carbon emission intensity by 17%, compared to 2008. This amounts to cost avoidance in excess of S\$53 million for utilities for the Group since 2009, helping to mitigate against global utility cost fluctuations and resource scarcity.

CapitaLand recognises that the long-term success of its business is closely linked with the health and prosperity of the communities we operate in. Since 2005, CapitaLand Hope Foundation (CHF) has donated more than S\$22 million as at end 2013 to support underprivileged children across Asia in the areas of education, healthcare and shelter. To date, we have completed 23 CapitaLand Hope Schools in remote areas of China and Vietnam to provide a conducive learning environment for close to 11,000 children. In 2013, we organised more than 300 volunteering activities in Asia where our staff volunteers interacted with over 48,000 children beneficiaries supported by CHF. Our inaugural CapitaLand Volunteer Day was held in 2013, involving staff volunteers in contributing to needy families in Singapore.

We continue to invest in training and development of our people to reach their highest potential. Training programmes are offered by the CapitaLand Institute of Management and Business (CLIMB) in Singapore and China. The average training hours exceeding 50 hours per staff in 2013 is well above the recommended industry standards. We adopt a localisation strategy for our overseas operations to ensure good understanding of local socio-political environment and cultural sensitivities. In 2013, locals accounted for more than 80% of employees based in Singapore and more than 90% of employees based in China.

President & Group CEO's Message

Our commitment as a responsible corporate citizen is recognised by our listing on the Global 100 Most Sustainable Corporations, Dow Jones Sustainability World Index, Dow Jones Asia Pacific Sustainability Index and Sustainability Yearbook.

We urge our stakeholders to join us on this sustainability journey so that together we can improve the economic, environmental and social well-being of the communities we operate in.

LIM MING YAN

President & Group CEO
CapitaLand Limited



Mr Lim Ming Yan, President & Group CEO, CapitaLand Limited, flagged off CapitaLand staff volunteers at the first CapitaLand Volunteer Day

Financial Performance

CapitaLand achieved a net profit of S\$849.8 million in 2013. Sound risk management coupled with good corporate governance policies and practices are vital to drive the Group's long-term sustainable growth and shareholder value. For a detailed breakdown of its 2013 financial results, five-year financial summary, economic value added statements and value added statements, please refer to the following sections in the CapitaLand Limited Annual Report 2013:

- Financial Highlights FY2013, pg 3
- 5-year Financial Summary, pg 123
- Performance Overview, pg 77-87
- Economic Value Added Statements, pg 248
- Value Added Statements, pg 249

Governance

Ranked **6th** out of 664 companies in the **Governance and Transparency Index 2013**

Won for the 13th consecutive year the **“Most Transparent Company (Real Estate)”** award by the Securities Investors Association Singapore

Board diversity with **18%** female representation

100% staff sign the CapitaLand Pledge (with the no-corruption clause indicated) annually

CapitaLand observes a high standard of corporate conduct, integral to ensure the sustainability of the Group’s business as well as safeguard shareholders’ interests and maximise long-term shareholder value. This is in line with the Principles of the Code of Corporate Governance 2012 which are as follows:

(A) Board Matters

The Board’s Conduct of Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board’s decision making.

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and executives responsible for managing the business. No one individual should represent a considerable concentration of power.

Board Membership

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

Board Performance

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its Board committees and the contribution by each director to the effectiveness of the Board.

Access to Information

Principle 6: In order to fulfill their responsibilities, directors should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

(B) Remuneration Matters

Procedures for Development Remuneration Policies

Principle 7: There should be a formal and transparent procedure for development policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Level and Mix of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Disclosure on Remuneration

Principle 9: Every company shall provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

(C) Accountability and Audit

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

Risk Management and Internal Controls

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholder's interest and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

Audit Committee

Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

Internal Audit

Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

(D) Communication with Shareholders

Shareholder Rights

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of the shareholders' rights, and continually review and update such governance arrangements.

Communication with Shareholders

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Conduct of Shareholder Meetings

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

To demonstrate its commitment in upholding the highest standards of corporate governance, CapitaLand joined the Securities Investors Association Singapore (SIAS) and its partners in making the following public Statement of Support, which was reiterated at the fourth Singapore Corporate Governance Week (organised by the SIAS) in October 2013.

“As an organisation, we are committed to upholding high standards of corporate governance to enhance shareholder value. We believe, practising good corporate governance is central to the health and stability of our financial markets and economy.”

Governance

In 2013, CapitaLand won a number of awards and accolades for its good corporate governance performance and transparency, investor relations and stakeholder communications including the Most Transparent Company (Property Category) by the Securities Investors Association Singapore (SIAS) for the 13th consecutive year as well as the prestigious Golden Circle Award for the second consecutive year, the highest honour given to the most transparent company across industry sectors. Winners were nominated by fund management firms, stockbroking and research houses, and media. They were assessed over a year, based on criteria such as timeliness of corporate disclosures, frequency, clarity and substantiality of their announcements, and their willingness to reveal information to analysts and the media.

CapitaLand was ranked sixth out of 664 companies in the Governance and Transparency Index (GTI) 2013. This annual study was conducted by the NUS Business School's Centre for Governance, Institutions and Organisations (CGIO)¹.

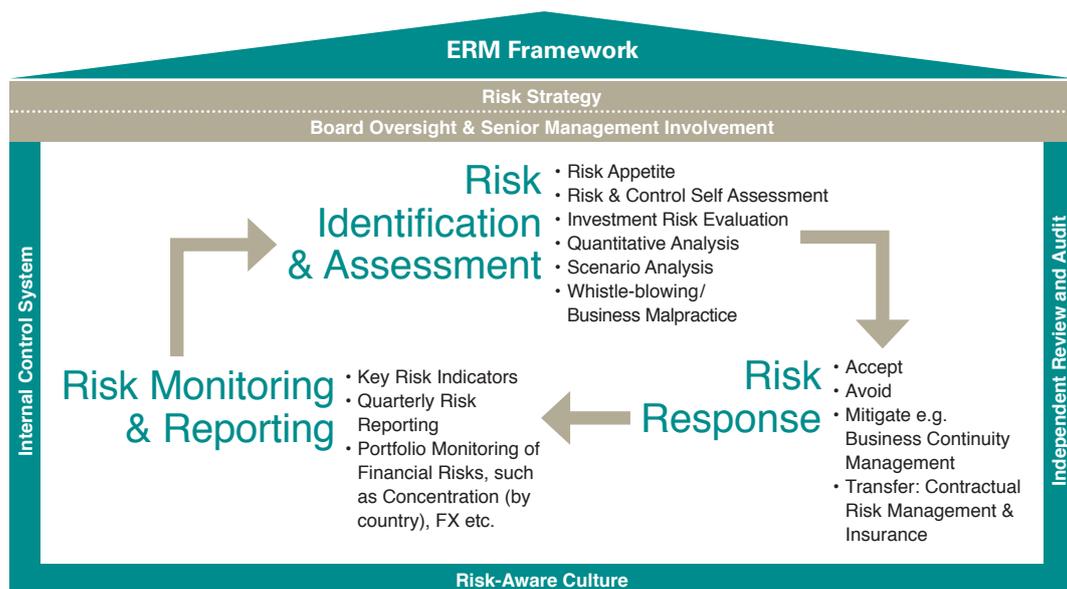
For detailed disclosure on the application of its corporate governance practices, please refer to the CapitaLand Limited Annual Report 2013, page 33-67.

Enterprise Risk Management (ERM)

Risk management is an integral part of CapitaLand's business activities whether at a strategic or operational level. Through pro-active risk management, which supports the achievement of the Group's business objectives and execution of corporate strategy in core markets, value is created and preserved.

Based on the ERM framework established and the reviews conducted by Management and both the internal and external auditors throughout the financial year, as well as the assurance from the President & Group CEO and the Group CFO, the Board concurs with the recommendation of the CapitaLand Audit Committee and is of the opinion, that the Group's system of risk management and internal controls addressing financial, operational, compliance and information technology risks is adequate and effective to meet the needs of the Group in its current business environment as at 31 December 2013.

Sustainability risks identified include fraud and corruption risks, environmental risks, health and safety risks and human capital risks. For more information regarding Risk Assessment and Management in CapitaLand, please refer to the CapitaLand Limited Annual Report 2013, page 47-49 and 61-63.



¹ This study is sponsored by CPA Australia. The Business Times is the strategic media partner for the project, which is also supported by the Investment Management Association of Singapore, Singapore Business Federation and Singapore Accountancy Commission.

Governance

Code of Business Conduct

The Group 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 work place harassment and grievances are also in place.

The policies and guidelines are published on the Group's intranet, which is accessible by all staff. The Group believes that the policies it has implemented help to detect and prevent occupational fraud in mainly three ways.

First, the Group offers fair compensation packages, based on practices of pay-for-performance and promotion based on merit, to its employees. The Group also provides various healthcare subsidies and financial assistance schemes to alleviate the common financial pressures its employees face.

Second, clearly documented policies and work procedures incorporate internal controls which ensure that adequate checks and balances are in place. Periodic audits are also conducted to evaluate the efficacy of these internal controls.

Finally, the Group seeks to build and maintain the right organisational culture through its core values, educating its employees on good business conduct and ethical values.

Managing Risk of Bribery and Corruption

	Staff	Supply Chain
Communication	<ul style="list-style-type: none"> Comprehensive Code of Conduct Policy Suite CapitaLand Global Principles on Ethical Business Conduct Policy on Bribery and Corruption Prevention Annual signing of CapitaLand Pledge Training 	Anti-corruption clause in contracts
Feedback Channels	<ul style="list-style-type: none"> Whistle Blowing Reporting Business Malpractice Incident (BMI) Reporting 	Dedicated independent email address provided, separate from normal feedback channels

Anti-Corruption and Bribery Policy

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

The Group's zero-tolerance policy against corruption and bribery extends to its dealings with third-party service providers and vendors. Pursuant to such policy, the Group requires that all agreements of the Group with third-party service providers and vendors incorporate robust anti-corruption and anti-bribery provisions.



Governance

Whistle-Blowing Policy

Whistle-blowing policy and procedures are put in place to provide the Group's employees and parties who have dealings with the Group with well defined, accessible and trusted channels to report suspected fraud, corruption, dishonest practices or other impropriety 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 – 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 extent possible, be protected from reprisal.

The Audit Committee confirms that no reports have been received under the Whistle Blowing Policy in 2013.

This is reinforced by the Group Policy and Procedure on Business Malpractice Incidents (BMIs) Reporting that facilitates line/functional managers to swiftly report any BMI discovered in their workplace or in the course of their work directly to their CEOs.

Substantiated BMI cases are reported on a quarterly basis in the Operations Compliance Working Committee meetings and to the CL Audit Committee meetings. In 2013, three BMI cases were substantiated and appropriate actions taken.

Training

CapitaLand implemented initiatives to ensure that all staff understand the Group's core values and principles that shape the way the Group works and functions. This is a compulsory module in the CapitaLand Immersion Programme (CIP) for new staff from different countries. For existing staff, there are dedicated training courses in Singapore on "CapitaDNA: Strengthening Core Values" where specific examples and applications of core values in the workplace are shared. As the majority of CapitaLand staff are based in China, this training module has been offered there. In 2013, more than 250 new staff from Singapore and China underwent CIP training. More than 210 staff attended the CapitaDNA courses in Singapore and China.

Environment

Global Sector Leader in the 'Diversified' property category by Global Real Estate Sustainability Benchmark 2013

Carbon emissions intensity reduced by **17%** since 2008

Over **3,500 tonnes** of recyclable waste collected from 66 properties

Increased operational efficiency (per m²) since 2008 with energy and water reduction of **13.0%** and **20.4%** respectively

Cost avoidance in excess of **S\$53 million** for utilities since 2009

Risk management through external **ISO 14001 certification** in 15 countries

16 main contractors appointed in 2013 are ISO 14001 certified or externally audited for environmental legal compliance on-site

Commitment Towards Environmental Sustainability

CapitaLand's commitment to environmental sustainability is a natural extension to its credo of 'Building People'. The Group's sustainability objectives are guided by its belief that lowering the environmental footprint of its buildings through innovation creates value for its stakeholders.

Environment

FRAMEWORK*			
Material Issues and Context			
<p>CLIMATE CHANGE & ENERGY</p> <ul style="list-style-type: none"> Global greenhouse gas (GHG) emissions at unsustainable levels Rising demand for energy, compounded by finite resources 	<p>WATER</p> <ul style="list-style-type: none"> Water scarcity, accessibility and security 	<p>BIODIVERSITY</p> <ul style="list-style-type: none"> Interdependence between ecosystems and the well-being of the community 	<p>WASTE</p> <ul style="list-style-type: none"> Waste generation at unsustainable rates Land scarcity for waste disposal Cost pressure from resource scarcity
Policy			
<ul style="list-style-type: none"> Identify opportunities in managing its property portfolio to deliver long-term benefits Identify and respond to climate change risks Reduce energy consumption and encourage renewable energy sources Reduce water consumption, encourage use of treated/recycled water and rainwater harvesting Manage waste through construction efficiency and encourage recycling Manage biodiversity to contribute positively to the natural environment Engage stakeholders to play their part 			
Accountability			
<ul style="list-style-type: none"> CEOs are Environment, Health and Safety (EHS) Champions ISO 14001 certified Environmental Management System (EMS) ensures accountability to relevant managers and all staff Setting of key performance indicators (KPIs), linked to remuneration for all staff; track performance via an Environmental Tracking System (ETS) 			
Method/Action Plan			
<p>EMS</p> <ul style="list-style-type: none"> Legal Compliance Identification of aspect and management of impact Green Buildings Guidelines - Environmental Impact Assessment (EIA) - Building Information Modelling (BIM) Green operations – EMS SOPs 	<p>EMS</p> <ul style="list-style-type: none"> Legal Compliance Identification of aspect and management of impact Green Buildings Guidelines - Environmental Impact Assessment (EIA) - Building Information Modelling (BIM) Green operations – EMS SOPs 	<p>EMS</p> <ul style="list-style-type: none"> Legal Compliance Identification of aspect and management of impact Green Buildings Guidelines - Environmental Impact Assessment (EIA) Stakeholders consultation 	<p>EMS</p> <ul style="list-style-type: none"> Legal Compliance Identification of aspect and management of impact Green Buildings Guidelines - Environmental Impact Assessment (EIA) - Building Information Modelling (BIM) Green operations – EMS SOPs
<p>KPI</p> <ul style="list-style-type: none"> Green ratings for new buildings and major refurbishments Green existing property portfolio Eco-efficiency target: energy consumption reduction Stakeholder engagement 	<p>KPI</p> <ul style="list-style-type: none"> Green ratings for new buildings and major refurbishments Green existing property portfolio Eco-efficiency target: water consumption reduction Stakeholder engagement 		
<p>ETS</p> <ul style="list-style-type: none"> Improve performance through tracking of energy and water usage, waste generation and carbon emission 	<p>ETS</p> <ul style="list-style-type: none"> Improve performance through tracking of energy and water usage, waste generation and carbon emission 		<p>ETS</p> <ul style="list-style-type: none"> Improve performance through tracking of energy and water usage, waste generation and carbon emission
		Special Projects	
Stakeholder Engagement			
<ul style="list-style-type: none"> Involve in national policy making Collaborate with NGOs Require ISO 14001 certified main contractors Indicate preference for ISO 14001 certified vendors Share CapitaLand EHS policy with suppliers and service providers Share and encourage end users, including tenants, shoppers, residents and the general community, to adopt green behavior 			

*G4-24 to G4-27

Environment

Top Management Commitment and Staff Involvement

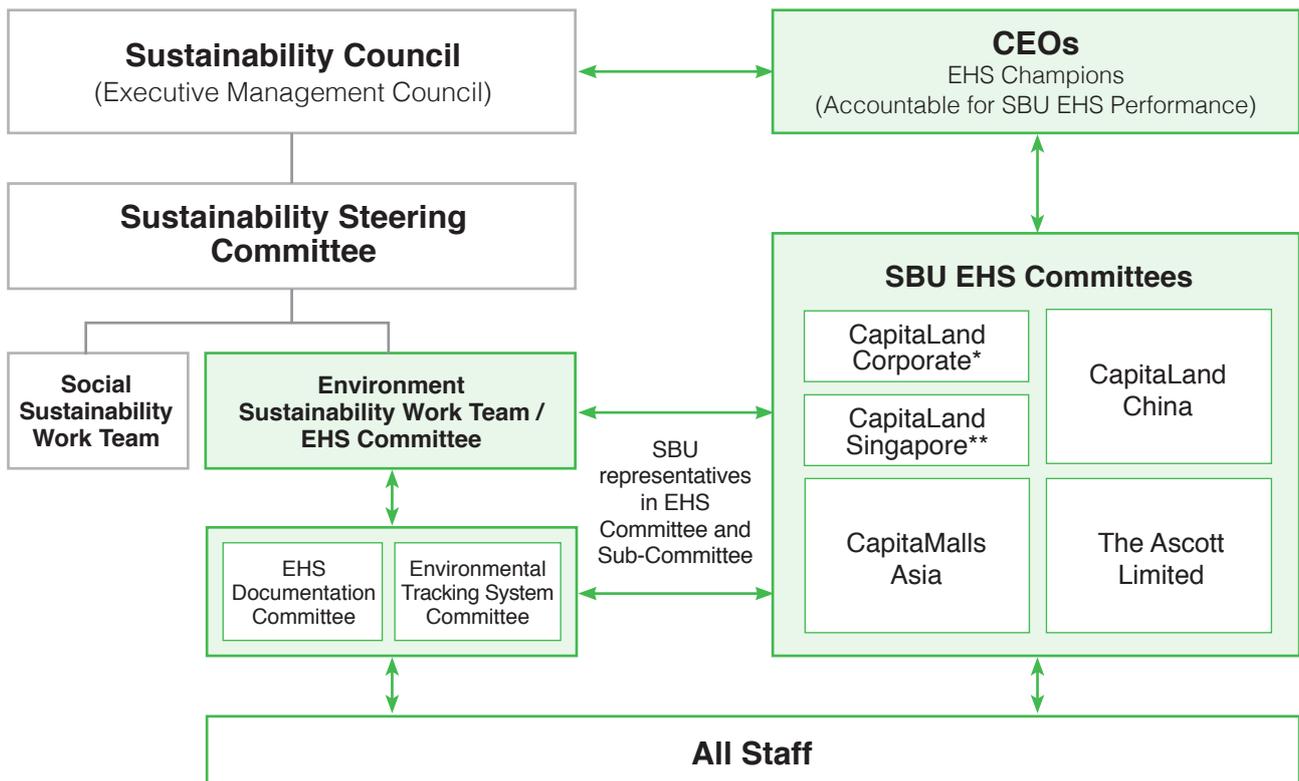
CapitaLand top management will form the CapitaLand Sustainability Council, which will be chaired by the President & Group CEO. CEOs from the Strategic Business Unit (SBU) are appointed as SBU Environmental, Health and Safety (EHS) Champions and are accountable for the EHS performance within the business units.

The CapitaLand Sustainability Steering Committee (SSC) will be chaired by a member of senior management and comprises senior management level representatives from each of the Group's SBUs. The CapitaLand EHS Committee will double up as the CapitaLand Environment Sustainability Working Team and support the work of SSC.

CapitaLand EHS Committee maintains the Group's EHS Management System. Each SBU also has its own EHS Committee to drive initiatives in countries where it operates with support from various departments.

All staff are involved in reducing CapitaLand's environmental footprint. They are encouraged to be forthcoming and to report all incidences of environmental-related issues and complaints, and incidences of non-compliances and non-conformities.

CapitaLand Environmental, Health and Safety Management Structure



* Includes Vietnam portfolio, less CapitaMalls Asia (CMA) and The Ascott Limited (Ascott) entities

** Includes Malaysia portfolio, less CMA and Ascott entities

Environment

Value Proposition

Despite an increasing portfolio, the Group managed to achieve cost avoidance in excess of S\$53 million¹ from utilities savings since 2009 for its operational properties. It estimates an annual energy and water consumption reduction savings of S\$14.5 million for 19 residential, shopping mall and office building projects when completed.

Having an annually audited environmental management system provides assurance to top management and external investors on the company's compliance and alignment to best practices.

Training

To facilitate effective implementation of CapitaLand's EHS Management System (EHSMS), training and awareness programmes are planned and conducted for all staff by the company's officers. New staff are inducted to the EHSMS, as well as CapitaLand's environmental policy and briefed on the roles they play. For the implementation of CapitaLand's EHSMS, Heads of Departments in administration, operations, and project development, including heads of operating properties, design managers and project managers, undergo more detailed training. In 2013, CapitaLand staff attended more than 51,000 hours of EHS-related training.

To overcome the challenge of its extensive international portfolio, CapitaLand has a "Train the Trainer" method for its EHS Implementor Training Programme. This ensures that there are trainers in countries where it operates, to minimise travelling by trainees. Likewise, to minimise travelling, CapitaMalls Asia (CMA) leverages its E-campus (online training platform) enabling CMA staff in over 50 cities to gain access to web-based learning.

Innovation

CapitaLand recognises the importance of innovation in managing its environmental footprint and differentiating the company from its peers. It encourages innovative green features in its developments. More than \$22 million has been invested in innovative features for its 11 projects².

To identify outstanding environmental innovation and propagate the message, the Group launched the Green Innovation Award within the company. Three awards were given out in 2013. The top winning innovations were implemented globally. The innovations exhibited benefits to the environment and reduced operational costs, as well as influenced stakeholders to join the green journey.

¹ This is based on year-on-year computation of data from 126 properties in 2009, 142 in 2010, 148 in 2011, 164 in 2012 and 161 in 2013. Properties excluded those undergoing asset enhancement initiatives and newly operational properties. Cost avoidance is computed by multiplying the absolute energy (kWh) and water (m³) savings against the annual average tariff rate for Singapore on a business-as-usual (BAU) basis.

² This is computed from 11 green rated projects, based on their submissions for BCA Green Mark and LEED under the innovation category.

Environment

Measuring Our Performance

Key Performance Indicators Tied to Remuneration

To measure its performance, CapitaLand has incorporated Key Performance Indicators (KPIs), most of which are linked to remuneration for all its staff including top management.

2013 Key Performance Indicators

	Targets	Performance
Environmental Management System (EMS)	<p>ISO 14001 certification for its EMS in all markets with investment properties</p> <p>Risk management of environmental aspects and impacts</p>	<p>Achieved ISO 14001 certification in 15 countries covering all markets with investment properties</p> <p>No environmental non-compliance or occurrence of significant spills</p>
Supply Chain Management	<p>All main contractors appointed to be ISO 14001 certified or, to comply fully with local environmental laws and regulations, annually audited by an independent accredited assessor</p>	<p>16 main contractors appointed in 2013</p> <ul style="list-style-type: none"> • 15 are ISO 14001 certified • 1 will engage external auditor to conduct site environmental legal compliance audit
Resource Consumption Management	<p>All new development projects to meet the minimum green rating target set</p> <ul style="list-style-type: none"> • Singapore – Green Mark Gold^{PLUS} award • Overseas – certification by a green rating system administered by a national government ministry/agency or a WGBC recognised Green Building Council; one level higher than certification for iconic projects³ 	<p>Achieved</p> <ul style="list-style-type: none"> • 3 Green Mark Gold^{PLUS} and 1 Green Mark Platinum in Singapore • 4 LEED, 3 Green Mark overseas <p><i>Total of 98 green ratings achieved for its new development projects and existing buildings – 81 Green Mark, 11 LEED, 2 Green Star, 1 BREEAM, 1 CASBEE, 1 Green Building Label⁴ and 1 LEED (India)</i></p> <p>Expected energy and water reduction exceeding S\$14.5 million (over 70,300 MWh/year and 456,000 m³/year) when new projects⁵ are completed.</p> <p>Five projects designed to harvest solar energy.</p> <p>Took biodiversity into consideration at relevant sites. More than 110 trees conserved at 10 development sites.</p>
	<p>All existing buildings to achieve a minimum green rating</p> <ul style="list-style-type: none"> • Singapore – Green Mark certification by 2020 • Overseas – certification by a green rating system administered by a national government ministry/agency or a WGBC recognised Green Building Council by 2030 	<p>78% of CapitaLand's existing buildings in Singapore (by m²) has at least a Green Mark Gold rating</p> <p>27% of CapitaLand's existing buildings overseas (by m²) has achieved a green rating</p> <p>Evaluated cost benefits of green rated buildings. Five existing buildings achieved/renewed BCA Green Mark ratings⁶, with expected energy and water reduction exceeding S\$1.5 million (over 8,000 MWh/year and 17,000 m³/year) when the measures are fully implemented.</p>
Operational Efficiency	<p>11.8% energy reduction and 15.8% water reduction per m² (using 2008 as the base year)</p> <p><i>To reduce energy and water usage per m² by 15% by 2015</i></p> <p><i>To reduce energy and water usage per m² by 20% by 2020</i></p>	<p>Achieved 13.0% energy reduction and 20.4% water reduction per m² (using 2008 as the base year)</p>
Stakeholder Engagement	<p>Organise green outreach activities to encourage a green mindset among staff and stakeholders</p>	<p>Organised green outreach activities as part of CapitaLand's Building A Greener Future Programme</p>

³ Iconic projects refer to Raffles City developments, Grade A offices and projects involving star architect.

⁴ Green Building Label administered by China's Ministry of Housing and Urban-Rural Development.

⁵ This is computed from 19 projects under construction, based on their submissions for BCA Green Mark and LEED green rating.

⁶ This includes four Green Mark properties in Singapore and one Green Mark property in Malaysia.

Environment

Managing Our Environmental Footprint

CapitaLand's Environmental Management System (EMS) is a key tool in managing the Group's environmental footprint across its global and diverse portfolio, with more than 11,800 staff. This EMS, together with CapitaLand's Occupational, Health and Safety Management System (OHSMS) are integrated as CapitaLand's Environmental, Health and Safety Management System (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.

CapitaLand EHS Committee and the SBU EHS Committees are responsible for driving the EHS Management System.

CapitaLand Environmental, Health and Safety Policy⁷

As an international corporate social citizen, CapitaLand is committed to protecting the environment and upholding the occupational health and safety of everyone in the workplace, and will:

- Carry out exemplary Environmental, Health and Safety practices to minimise pollution and health and safety risks
- Seek continual improvement on its Environmental, Health and Safety performance
- Comply with pertinent legislations and other requirements
- Implement the CapitaLand Green Buildings Guidelines and Occupational Health and Safety programmes

We make this policy readily available to all employees, suppliers, service providers and partners.

Since 2012, the Group achieved ISO 14001 certification for its EMS in 15 countries⁸ – Singapore, Australia, Belgium, China, France, Germany, India, Indonesia, Japan, Malaysia, Philippines, Spain, Thailand, Vietnam and United Kingdom (UK) – covering all markets with investment properties. This encompasses all business functions including property development, property management as well as corporate management and operations.

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 2013, CapitaLand complied fully with the environmental laws and regulations in Singapore, Australia, Belgium, China, France, Germany, India, Indonesia, Japan, Malaysia, Philippines, Spain, Thailand, Vietnam and UK. There was no environmental non-compliance or occurrence of significant spills by the company⁹.

CapitaLand's EMS provides a systematic process to manage the Group's environment 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.

CapitaLand 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 and energy, water and paper usage reduction targets, and implementing various measures to achieve them. The targets are linked to the remuneration to all staff including top management. For more details, please refer to the table "2013 Key Performance Indicators".

Global Internal and External Audits

CapitaLand has in place an internal audit system to ensure the conformance and effective implementation of its EMS to the ISO 14001 international standards. Internal audits are conducted in all 15 markets at least once a year covering at least 50% of the sites in each country. External audits are conducted annually by a third-party accredited certification body – TÜV SÜD PSB.

⁷ This EHS Policy was developed for the understanding and implementation by all staff in CapitaLand.

⁸ This excludes countries where CapitaLand does not have any investment projects.

⁹ This is effectively tracked through the quarterly EHS updates by all SBUs.

Environment

Effective Resource Management

Green Building Rating

Green building rating targets are set at the outset of CapitaLand projects¹⁰. This aids resource management as green rated buildings are more resource efficient to construct and operate.

The target for Singapore projects is minimum Green Mark Gold^{PLUS}, two levels above the legal requirement of Green Mark Certification, administered by the Building and Construction Authority (BCA) in Singapore. The target for projects outside Singapore is certification by a green rating system administered by a national government ministry/agency or a World Green Building Council (WGBC) recognised Green Building Council. The green rating target for iconic projects outside Singapore is set at one level above certification.

Greening Existing Portfolio

CapitaLand is committed to achieve minimum Green Mark certification for all of its existing stock of properties by 2020, in support of the Singapore government Green Building Master Plan. It has also set an internal target to green all its existing properties outside Singapore by 2030 with each achieving minimum certification level by a green rating system administered by a national government ministry/agency or a WGBC recognised Green Building Council.

Life Cycle Management: CapitaLand Green Buildings Guidelines

The Green Buildings Guidelines (GBG) 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, operation to redevelopment. It covers developments and refurbishments, and joint venture developments where CapitaLand has management control and the largest stake.

Mitigating the Effects of Climate Change Through Design

Climate change brings about different effects in different geographies. The effects include rising sea levels, long intense heat waves, flash floods and fresh water depletion. By adopting the GBG, CapitaLand aims to future proof its developments by addressing the anticipated effects of climate change right from the design stage. The localised context of each project is to be studied in detail, and appropriate measures taken in consideration of climate change.

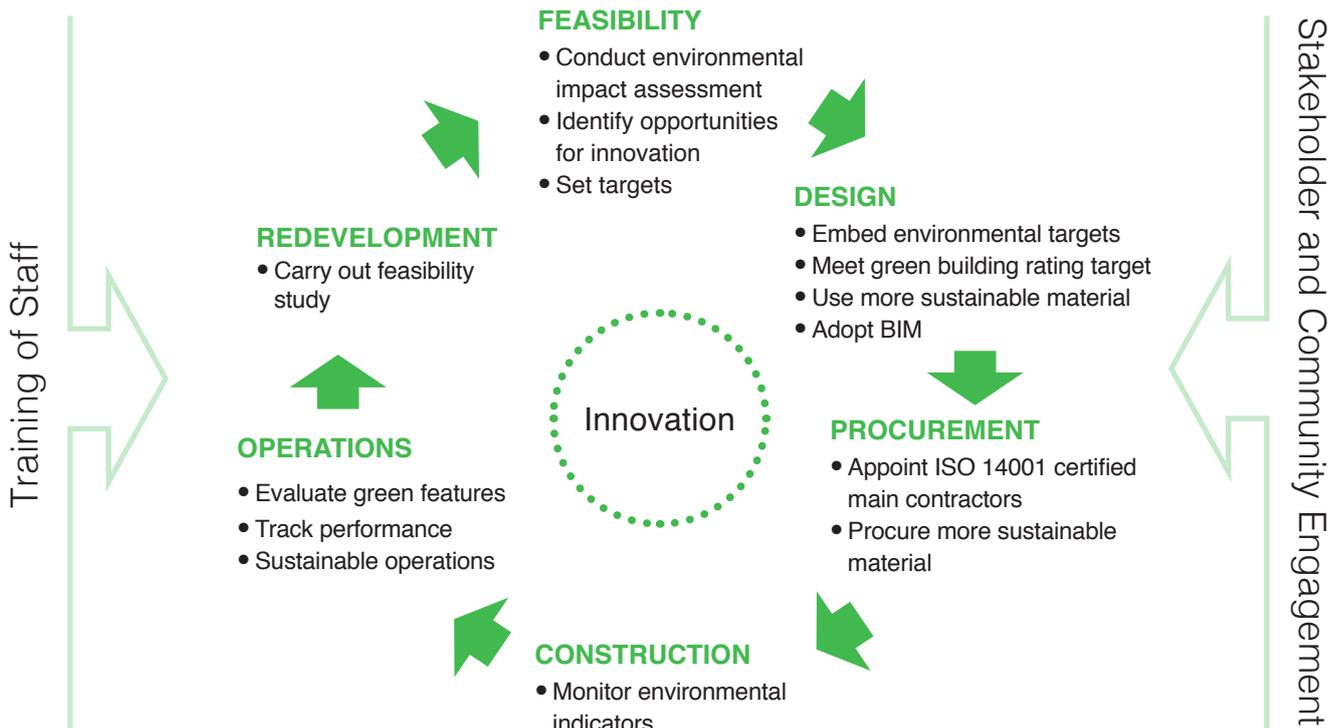
The GBG is regularly reviewed to ensure continuous improvement, focusing on four key objectives of minimising carbon footprint and energy consumption, water management, generation of waste, and promoting biodiversity in the life cycles of its developments. Changes since inception include higher green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

¹⁰This is for new projects or development projects with gross floor area of at least 2,000 m².

Environment

Life Cycle Management

OBJECTIVES			
<p>Minimise carbon footprint and energy consumption</p> <ul style="list-style-type: none"> • Understand and minimise the amount of embodied carbon • Reduce direct and indirect carbon emissions (through consumption of fuelled energy) from construction and operation activities • Use energy-efficient equipment • Use renewable energy 	<p>Minimise resource depletion</p> <ul style="list-style-type: none"> • Reuse of grey water and rainwater harvesting • Use water-efficient fittings 	<p>Minimise generation of waste</p> <ul style="list-style-type: none"> • Adopt Building Information Modelling (BIM) • Implement reduce, reuse and recycle waste hierarchy for building components and materials 	<p>Enhance biodiversity</p> <ul style="list-style-type: none"> • Create, enhance and conserve habitat for flora and fauna, particularly protected species, both on-site and in the wider area • Consultation with experts, local authorities and communities • Eliminate or minimise environmental impacts to site through control measures • Use more sustainable materials like certified wood and bamboo



Environment

Environmental Impact Assessment (EIA)

A key component of the GBG 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 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

CapitaLand is committed to preserve 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, protection of plant and animal species on the site and removal of invasive plant species on or near the site. External experts will be engaged to provide expert advice when appropriate.

With its focus on gateway cities in Asia, most CapitaLand projects are located in urban and built-up areas. There are no sites located within protected areas. Instead, CapitaLand encourages greenery within its projects. More than 110 trees are conserved at seven residential projects and three mixed-use developments in Singapore, China and Vietnam. This included the conservation of a century old ginkgo tree.

GBG encourages the use of certified wood and other more sustainable wood materials and products, such as composite wood, engineered wood and bamboo. A number of CapitaLand residential projects in China use composite wood or engineered wood for its interior finishing. The Ascott Limited's Procurement Guidelines recommend green products for the outfitting of its serviced residences. This includes bamboo flooring as bamboo is a sustainable source.

Some possible concerns to biodiversity include the flow out of waste or toxic materials from properties. With CapitaLand's EMS, this flow out (e.g. waste water), if any, is monitored and minimised.

CapitaLand is the Presenting Sponsor and Conservation Donor for the 10-year Giant Panda collaborative programme between China and Singapore to promote and raise awareness for Giant Panda conservation and implement a giant panda breeding research programme between Wildlife Reserve Singapore (WRS) and China Wildlife Conservation Association (CWCA). Singapore received a pair of male and female Giant Pandas from China in 2012 and organised educational programmes on wildlife conservation awareness, designed for underprivileged children supported by the CapitaLand Hope Foundation.

Environment

Interlaced with Biodiversity

The Interlace is one of the largest and most ambitious residential developments in Singapore. The 1,040-unit project completes a nine-kilometre long green belt that stretches between the Kent Ridge, Telok Blangah Hill and Mount Faber parks. It leveraged its proximity to the Southern Ridges¹¹ and offers greenery within the development with its series of courtyards, sky terraces and roof gardens as well as a large variety and number of plant species that encourage habitat creation.

In the creation of habitats, about 140 different species of trees, shrubs, and other plants and more than 2,000 trees/palms were planted. The team also conserved 40 mature trees from the original site.

All sky terraces and courtyards are designed with individual themes, through the choice of plant species, and are evenly distributed throughout the site. This deliberate arrangement aims to attract specific types of fauna such as birds and butterflies, by providing differing types of food and shelter.

In 2013, it is one of the nine developments recognised for outstanding greenery under the Singapore National Parks Board's new Landscape Excellence Assessment Framework (LEAF) certification scheme.



Left to right: The Interlace, conserved trees, lotus pond.

¹¹ The Southern Ridges is a series of hilly parks that run parallel to the southern coast of Singapore.

Green Showcases

CapitaLand's portfolio of homes, shopping malls, offices, serviced residences and mixed-use developments have won awards for their quality, and environmentally sustainable designs and features. Featured here are two projects which demonstrate CapitaLand's commitment to environmental sustainability.

Raffles City Chengdu, China

Gold Level

LEED-CS (Leadership in Energy and Environmental Design Core & Shell) US Green Building Council

Raffles City Chengdu is a mixed-use development comprising two Grade A office towers, a retail podium, a five-star hotel, serviced residences and residential apartments.

Sustainable Building Material and Construction Waste Management

Regionally sourced materials were extensively chosen, including concrete, glass, window frames, reinforcements, which accounted for about 33% of total material cost. More than 15% of materials used during construction had recycled content¹². Low-emitting materials were used to improve the indoor environmental quality (IEQ).



Throughout the entire construction period, more than 80% (743,880kg) of construction waste was diverted from landfill disposal or incineration.

Connectivity and Green Transport

Raffles City Chengdu is connected to Sichuan Gymnasium Subway Station and there are two bus stations located nearby. It encourages green transport by providing almost 2,000 secure bicycle lots, as well as changing and shower facilities. It also set aside more than 40 preferred parking spaces for low-emitting and fuel-efficient vehicles which are located near carpark elevators.

Eco-efficiency and Renewable Energy

Raffles City Chengdu's high-performance building envelope reduces heat gain and allows natural daylight into the buildings. Fair-face concrete was used in the façade, eliminating the need for the typical curtain wall and providing better thermal insulation. The use of high-performance glass and roof gardens on the five towers and the podium minimise heat gain, thus reducing heating and cooling energy requirements. Natural ventilation and daylighting were adopted in designated areas of the development.

Raffles City Chengdu has a ground source (geothermal) heat pump system, which aids in bearing about 6% of the heating and cooling load of the building.

The passive energy efficiency features, ground source heat pump system, together with energy-efficient equipment and lighting, occupancy sensors, the total operational energy usage is estimated to be reduced by 13%¹³, which is 6,000 MWh/year.

Selection of native and climate-tolerant plants for its landscaping reduced irrigation water requirements by 50%. It is estimated that more than 40% potable water consumption will be reduced¹⁴ (estimated at 40,000m³/year) through the use of recycled water (condensate water) and rainwater for landscape irrigation and toilet flushing as well as its water-efficient fixtures.

Overall, there is an estimated annual utility savings of RMB 5.5 million (S\$1.1 million).

¹²This is based on total material cost.

¹³This is compared with the minimum energy efficiency standard, or base requirements for buildings designed to reduce energy consumption, set by the American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE).

¹⁴This is compared with the fixture performance requirements set in the US Energy Policy Act-1992.

Bedok Mall and Bedok Residences

Green Mark Platinum (for each of its mall and residential components)

Building and Construction Authority (BCA), Singapore

Bedok Mall and Bedok Residences is a mixed-use development – one of the first fully integrated retail-residential-transport developments in the east of Singapore. Bedok Mall has almost 200 shops spread across three floors from Basement 2 to Level 1. The new Bedok bus interchange is located above the mall on Level 2. The 583-unit Bedok Residences, which sits above the bus interchange, completes the integrated development. Some of the features which helped the project achieve two Green Mark Platinum awards are listed below.



Connectivity and Green Transport

The mall's Basement 2 is directly linked to the Bedok Mass Rapid Transit (MRT) station, while the Bedok bus interchange, is located above the mall on Level 2. To promote green transport, a dedicated sheltered bicycle park with 200 bicycle lots will be provided.

Green Demolition and Sustainable Building Materials

Sustainable construction is practised throughout the development, beginning with the green demolition of the old bus interchange and recycling of building materials from the demolition works. Three mature trees were conserved.

Green cement was used for the construction of the shopping mall. The development also includes extensive use of environmentally sustainable building materials, including drywall partitions, ceiling boards, drainage cells and precast wheel stoppers with a minimum 30% recycled content. Low VOC (volatile organic compounds) paints and low formaldehyde adhesives were used to ensure the indoor environment is kept to an optimal level.

Eco-efficiency and Renewable Resources

The Bedok Residences are north-south facing and its high-performance tinted laminated glazing of building façade will minimise heat gain into the units.

The Bedok Mall facade uses high-performance tinted double glazed glass. Computational fluid dynamics simulations were carried out to achieve efficient and effective ventilation at the bus interchange. The use of efficient air-conditioning systems, efficient light fittings and lift systems further optimise the shopping mall's energy efficiency.

All common landscaped areas are served by an automatic drip irrigation system with rain sensors. This is supplemented by a rainwater harvesting system for the landscaping requirements. To further reduce potable water consumption, NEWater is used for the cooling towers' make-up water and landscape irrigation. Installation of water-efficient sanitary fittings and wares further optimises water efficiency.

Estimated energy savings is 2,800 MWh/year and 7,800 MWh/year while estimated water savings is 49,700 m³/year and 75,500 m³/year for the residences and mall respectively.

Solar panels will be installed on the roof tops of Bedok Residences, and Bedok Mall's linkway canopy. It is estimated to generate more than 3,000 kWh of electricity annually for powering the lighting for walkway areas.

Tracking with Our Environmental Tracking System

CapitaLand Environmental Tracking System

CapitaLand developed an in-house online Environmental Tracking System (ETS) to better track energy and water usage, waste generation and carbon emissions of its managed and owned operational properties. These include CapitaLand's office buildings, shopping malls, serviced residences and mixed-use developments worldwide.

ETS allows the property management team at each property to submit monthly data and upload supporting documentary evidence online. The consolidated data is analysed at the SBU and Group levels against reduction targets. This facilitates a better understanding of consumption patterns and identification of areas for eco-efficiency improvements.

From 2012, ETS includes the tracking of energy and water usage of CapitaLand construction sites as well as energy and paper consumption of CapitaLand's corporate offices in Singapore and overseas.

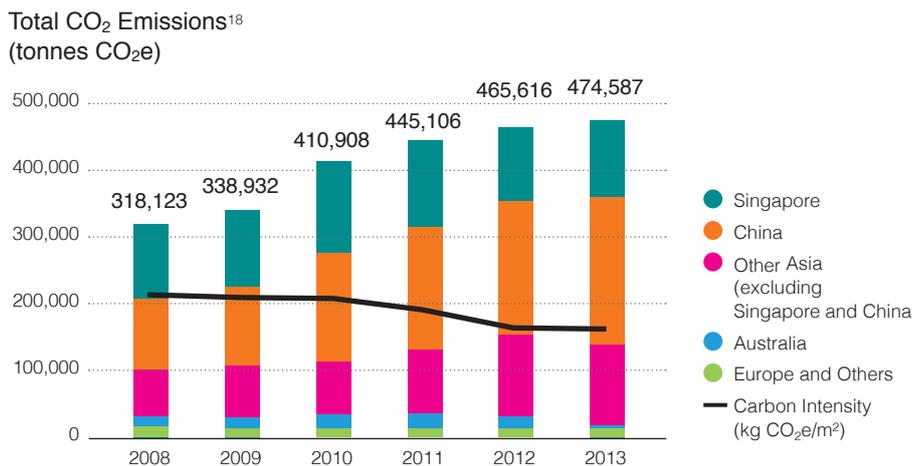
In 2013, CapitaLand conducted on-site verification and audit of ETS data at 27 properties in Singapore, China and Vietnam to further entrench the importance of data accuracy and authenticity.

Carbon Emissions

CapitaLand is committed to address climate change through reduction of its energy consumption as well as its other carbon emissions in its business operations. It is aware that buildings are responsible for one-third of the world's greenhouse gas emissions and improving energy efficiency represents the largest and most cost-effective way to mitigate those emissions.

With the increase in CapitaLand portfolio of operational buildings¹⁵, its total carbon emissions increased to 474,587 tonnes¹⁶.

Despite an increase in absolute carbon emissions due to portfolio increase, CapitaLand's carbon emissions intensity reduced to 5.9kg CO₂/m²/month, a 17% reduction compared to 2008 intensity levels¹⁷.



¹⁵ The Group's portfolio of operational properties increased from 142 in 2008, 167 in 2009, 182 in 2010, 195 in 2011 and 210 in 2012. Whilst the number of operational properties reduced to 199 in 2013, the gross floor area (GFA) increased by 8% compared to 2012.

¹⁶ This is computed mostly from purchased electricity consumption under Scope 2, and some direct energy consumption under Scope 1 as defined by the Greenhouse Gas (GHG) Protocol and using individual country CO₂ emission factors retrieved from the IEA Statistics – CO₂ emission factors from fuel combustion 2013 edition. Direct (Scope 1) emissions, mainly from consumption of natural gas and diesel for heating, account for 5% of the total carbon emissions.

¹⁷ CapitaLand has a long-term target of achieving 20% in energy reduction per m² by 2020 (2008 base year). This would translate to an estimated carbon emissions intensity of 5.6 kg CO₂/m²/month in 2020. This assumes that the portfolio and energy consumption pattern remains unchanged from 2012 and based on 2012 carbon emission factors.

¹⁸ In 2013, as part of continuous improvement, CapitaLand reviewed specific sites and methodology to compute energy and water usage. There was some minor adjustment to the carbon emissions, energy usage and water usage figures which does not significantly impact the figures for 2008 - 2012. GRI disclosure G4-22.

Environment

Embodied Carbon

Moving forward, CapitaLand aims to minimise its carbon footprint not only through reducing carbon emissions arising from consumption of fuelled energy from its construction and operation activities but also from the embodied carbon in the production and distribution of building materials. CapitaLand conducted a pilot survey on construction materials used at three projects in Singapore and three projects in China that were completed in 2013. The data collated is based on the entire construction period. Embodied carbon emissions arising from materials usage at these projects is about 414,000 tonnes¹⁹ or 850 kg/m².

CapitaLand Eco-efficiency Commitments

CapitaLand established long-term and annual targets for the reduction of energy and water usage per m² in its properties worldwide. The SBUs set individual targets towards achieving the Group's targets.

Long-term Energy and Water Reduction targets (using 2008 as base year):

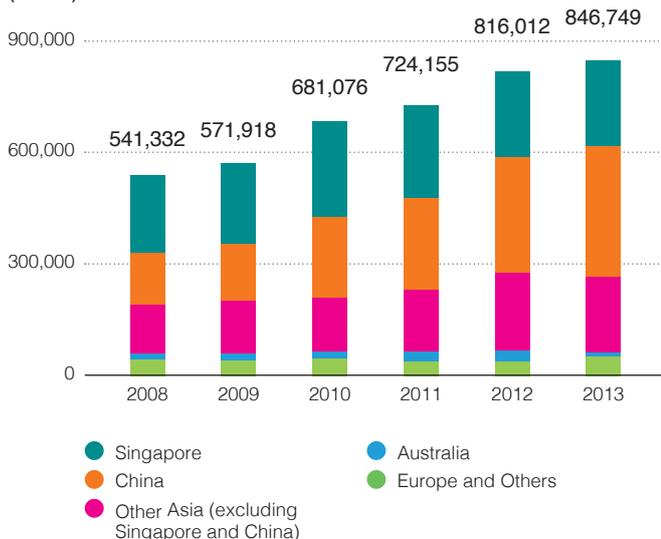
- By 2015, to reduce energy and water usage (per m²) by 15%
- By 2020, to reduce energy and water usage (per m²) by 20%

Energy

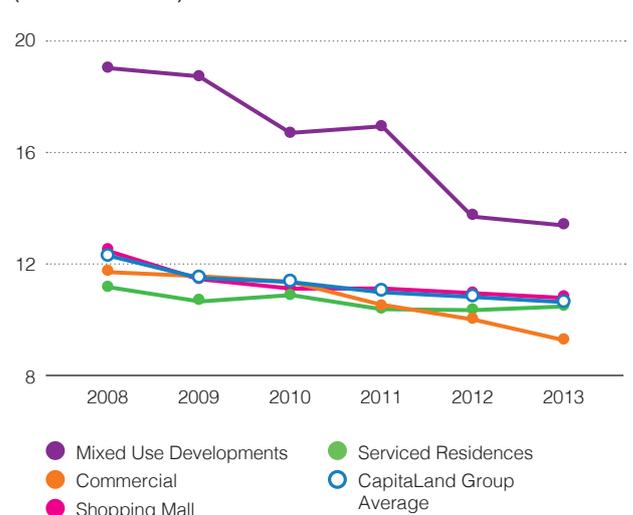
In 2013, the Group's total energy consumption was 846,749 MWh (3.05 million GJ). Indirect energy consumption from the use of electricity account for about 86% (2.62 million GJ) and direct energy consumption from gas, diesel and other fuels account for about 14% (0.42 million GJ²⁰) of total energy consumption.

Despite an increase in total energy use due to expansion in portfolio, CapitaLand has reduced its energy intensity²¹ measured in kWh per m² by 13.0% from base year 2008. Using a 'Business as Usual' (BAU²²) approach, it is estimated that more than 198,200 MWh of energy consumption was avoided, resulting in an estimated cost avoidance of S\$51.5 million since 2009.

Energy Usage (MWh)



Energy Intensity (kWh/m²/month)



¹⁹ The materials are concrete, steel, paint, ceramic tiles and bricks. Densities and coefficients used for computation of the embodied carbon emissions of the 5 materials are obtained from the Inventory of Carbon & Energy (ICE) Version 2.0.

²⁰ Direct energy consumption from gas, diesel and other fuels (gasoline) are approximately 388,000 GJ, 21,000 GJ and 7,000 GJ respectively.

²¹ Computation of energy intensity excludes new properties which have been in operation for less than 12 months, properties undergoing asset enhancement initiatives (AEI) and corporate offices. The number of properties are 127, 145, 152, 174, 189 and 175 for the period from 2008-2013 respectively.

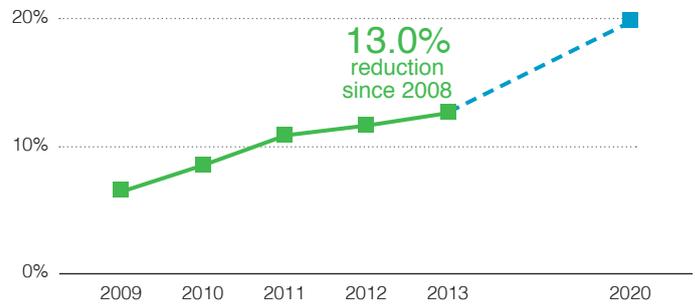
²² The assumption is that energy consumption in subsequent years will continue at 2008 levels (base year) unless energy improvement measures are adopted.

Environment

The reduction in energy intensity or energy usage per m² (with 2008 as the base year) is computed at the property and SBU level. The reduction targets are Key Performance Indicators (KPIs) for the property managers and the SBU CEOs.

CapitaLand is committed to its long-term eco-efficiency target and will continue to implement various energy conservation measures, some of which are listed below. It also focuses on innovation to reduce energy consumption.

% Reduction of Energy Intensity (2008 as base year)



Focus	Initiatives
Consumption Reduction	<ul style="list-style-type: none"> Natural ventilation to reduce air-conditioning demands Sun shading, cool paints to reduce heat gain Use of daylight, sun pipes/light shelves to reduce the need for artificial lighting
Energy Efficiency	<ul style="list-style-type: none"> Equipment upgrade of indoor air-conditioning to more efficient ones Lighting retrofits to more efficient types such as T5 with electronic ballast, LED Central procurement of LED (light-emitting diode) to encourage the new technology usage. Conduct energy audits at properties to improve energy efficiency
Control, Metering and Monitoring	<ul style="list-style-type: none"> Dimmers/ occupancy sensors/ daylight sensors Sub-metering systems to provide detailed energy information Building Management Systems
Renewable Energy	<ul style="list-style-type: none"> Encourage use of renewable energy and purchase of green power

CapitaLand implemented central procurement of energy-efficient LED lighting to mitigate the higher upfront costs and standardise the technical specifications to encourage use of new technology. Since its implementation in Singapore in 2012, more than 21,000 units²³ were purchased under the scheme for lighting retrofits of the Group's existing buildings as well as for its new developments, with estimated energy savings of about 4,600 MWh²⁴ when these LED lights are implemented. This scheme has been rolled out in China end 2013.

Renewable Energy

While energy efficiency is the most cost-effective and material way for CapitaLand to reduce carbon emissions, it encourages the use of renewable sources to avoid emissions. In 2013, 0.2% (or 1,902 MWh) of the Group's total electricity use was from renewable energy sources. Eight properties in Singapore, India, France and Belgium had on-site renewable energy systems (including building integrated photovoltaic (BIPV) panels) or purchased certified Green Power (electricity generated from renewable sources).

²³ This includes various types of LED lighting products such as light tubes, down lights, spot lights, linear lights and lamps purchased for 14 projects and existing buildings in Singapore.

²⁴ This is compared with its respective conventional equivalent such as fluorescent tubes or halogen lamps.

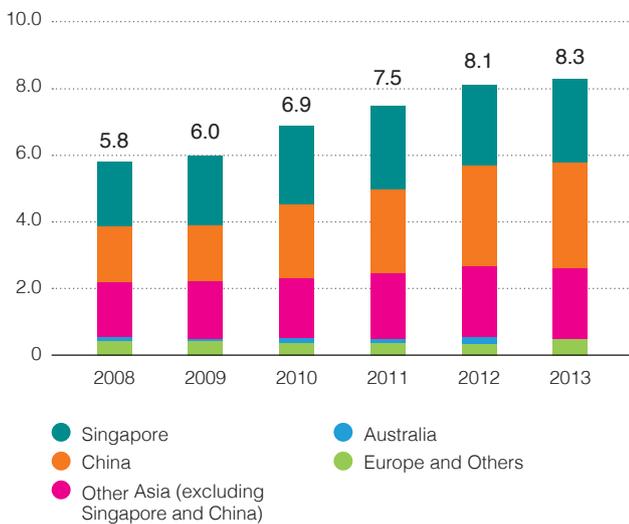
Environment

Water

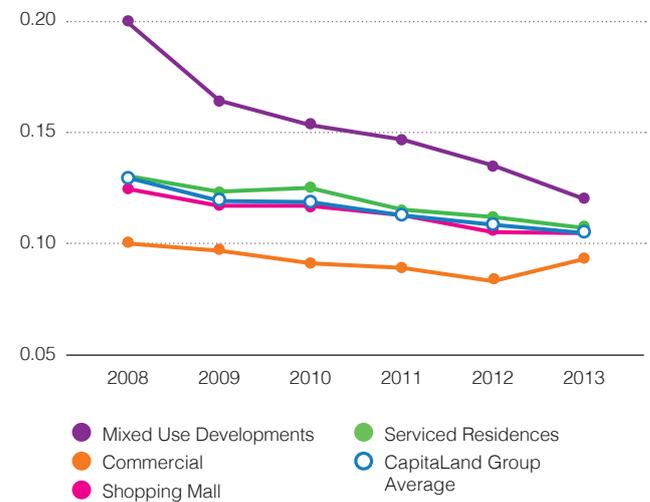
CapitaLand is committed to reduce water consumption, reuse water and prevent water pollution, especially in countries where the availability of clean water and sanitation are of concern. A survey was conducted to better understand water source and discharge for each property. Almost all of CapitaLand's operational properties' water consumption is derived from municipal supplies²⁵.

In 2013, the Group's total water consumption was about 8.3 million m³, largely attributed to the expansion of property portfolio, as well as increased activities carried out in the properties and weather conditions. This includes the use of more than 700,000m³ of NEWater²⁶ and collected rainwater. However, CapitaLand reduced its water intensity²⁷ measured in m³/m² by 20.4% from baseline year 2008.

Water Usage
(million m³)



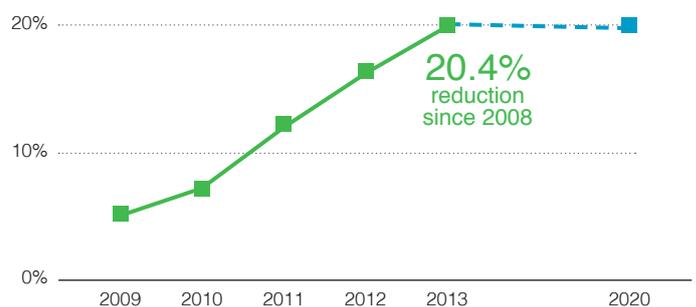
Water Intensity
m³/m²/month



The reduction in water usage per square metre (with 2008 as the base year) is computed at the property and SBU level. This forms a critical part of the Key Performance Indicator (KPI) for the property managers and the SBUs.

CapitaLand has achieved its long-term eco-efficiency target of 20% reduction in water intensity by 2020. This can be attributed to the following initiatives to ensure efficient operations and minimise water wastage.

% Reduction of Water Intensity
(2008 as base year)



²⁵ Three properties extract groundwater mainly for emergency and non-potable use. Meters are installed to monitor water usage.

²⁶ NEWater is treated waste water produced by PUB, the national water agency of Singapore, which has been further purified using advanced membrane technologies and ultraviolet disinfection.

²⁷ Computation of water intensity excludes new properties which have been in operation for less than 12 months, properties undergoing asset enhancement programmes and corporate offices. The numbers of properties are 123, 141, 148, 169, 186 and 172 for the period from 2008-2013 respectively.

Environment

Focus	Initiatives
Consumption Reduction	<ul style="list-style-type: none"> • Flow regulators; self-closing delayed action faucets/motion-activated faucets; dual flush/low flush toilets • Choice of local plant species and drought resistance plants; Irrigate plants in the morning or late afternoon to minimise evaporation losses
Control, Metering and Monitoring	<ul style="list-style-type: none"> • Water audit; sub-metering to track consumption and early leak detection
Recycling	<ul style="list-style-type: none"> • Rainwater harvesting; condensate recovery; grey water recycling

Energy and Water Consumption at Development Projects

CapitaLand requires its main contractors to be ISO 14001 and OHSAS 18001 certified, or to engage an independent accredited assessor to conduct an EHS legal compliance on an annual basis. Its main contractors are also required to monitor their consumption of water and electricity, waste generation, air emission of fuel burning equipment, waste water discharge and construction noise, with the aim to minimise environmental impact.

In 2013, 33 CapitaLand projects under construction in Singapore, China, India and Vietnam consumed about 63,200 MWh of energy²⁸ and close to 1.3 million m³ of water. At its Singapore development sites, waste water is generally recycled and reused for vehicular washing.

Waste Management and Recycling

CapitaLand aims to manage waste at its properties responsibly. As waste generated at its operational properties is mostly from its tenants, residents and the general public, CapitaLand engages its stakeholders through various means to minimise and recycle waste. Recycling bins are made available at its properties for its tenants, shoppers and serviced residents.

In 2013, about 77,900 tonnes of non-recyclable waste was generated at 84 properties in Singapore, China, rest of Asia and Europe. These included office buildings, serviced residences, shopping malls and mixed-use developments.

More than 3,500 tonnes of recyclable waste²⁹ was collected from 66 properties in 11 countries. CapitaLand continues to encourage the measurement of waste quantity in as many properties as possible. For more information on such stakeholder engagement, please see “Engaging Stakeholders Beyond the Hour, Whole Year Long”, pg 37.

Lighting to a new efficiency, Recycling to minimise impact

Alongside the adoption of LED lighting technology at most of its shopping malls in Singapore to reduce its energy usage, CapitaMalls in Singapore have extended their recycling activities to include light bulbs for tenants during store renovation, and during CapitaMalls Asia’s asset enhancement initiatives and regular maintenance. In 2013, over 4.5 tonnes of glass and 5.5 tonnes of metal were recovered for recycling from the light bulbs collected across 11 CapitaMalls in Singapore. (For more details, please refer to Inside Different Geographies, “A Bright Idea for Recycling”, <http://inside.capitaland.com/advocate/eco-now/201406-a-bright-idea-for-recycling>.)

²⁸ Scope 1 and Scope 2 data according to the definition by the Greenhouse Gas (GHG) Protocol. The estimated carbon emissions from direct and indirect energy consumption is approximately 28,000 tonnes.

²⁹ Whilst recycling facilities are made available at CapitaLand properties, not all public waste collectors are able to furnish the recycled waste collected in weight as requested.

Environment

CapitaLand requires its main contractors to implement proper waste management procedures to minimise construction waste, and to properly manage and dispose the waste generated. An estimated 47,000 tonnes of construction waste was recorded for 10 development projects in Singapore in 2013. For some of its China development projects targeting LEED certification, the projects have set a target of at least 95% of construction waste to be diverted from landfill.

Within the company, CapitaLand is building up capacity to leverage Building Information Modelling (BIM) technology to improve the design and construction process through more integrated project coordination. CapitaLand's BIM committee comprises senior management level representatives from all SBUs, and representatives from corporate departments such as IT. BIM can perform clash detection before construction, identifying situations where mechanical and electrical (M&E) pipes will clash with structural members. This detection saves time and cost of remedial work and minimises material wastage. BIM is implemented in seven projects in Singapore and nine projects in China.

Energy and Paper Conservation in CapitaLand Corporate Offices

CapitaLand corporate offices in 12 countries contributed less than 0.4% of the Group's overall energy consumption in 2013. The offices consumed 3,269 MWh of electricity, with an improvement in the energy intensity (electricity consumption per m²) of 14% as compared to 2009. This was made possible through the continual adoption of energy conservation measures as well as utilisation of more energy-efficient equipment and appliances.

CapitaLand achieved paper usage reduction of 50% per employee compared to 2009. These savings are attributable to the conscious effort by every employee to reduce paper usage. In 2013, about 105 tonnes of used paper were collected from its corporate offices for recycling.

Paper accounts for the main stream of waste generated from CapitaLand corporate offices. To reduce paper usage, CapitaLand has established a systematic paper management and recycling programme. This includes default settings for double-sided and black and white printing, encouraging the use of e-mails, e-fax and promoting a "think before you print/copy" attitude to encourage employees to use less paper. Recycling bins (including secured bins) are conveniently located at corporate offices to encourage employees to recycle used paper. Work processes are increasingly made available online to avoid paper consumption.

CapitaLand actively promotes the use of environmentally-friendly paper. All letterheads and name cards are printed on recycled paper since 2011. CapitaLand annual reports were printed with recycled paper from 2006 to 2010 and with Forest Stewardship Council (FSC) paper from 2011. Biodegradable soy-based ink from renewable resources is used to print the annual report.

Environment

Engaging Our Community*

Beyond developing environmentally sustainable properties, and operating them according to best practices, CapitaLand understands the important role that end-users of its buildings have to play. It actively involves its staff, tenants, contractors, suppliers as well as the wider community in environmental sustainability. It first launched its Building A Greener Future community engagement drive in 2008, with a unique mascot CapitaFrog and a variety of initiatives.

Stakeholder	Positive Impact
Home Owners	Lower utility bills, healthier and better living environment
Tenants	Better indoor environment resulting in increased productivity Branding associated with a socially-responsible building
Shoppers	Better indoor environment resulting in a healthier shopping experience
Investors	Operational efficiency, cost avoidance

Comprehensive Global Stakeholder Engagement Initiatives

CapitaLand engages its stakeholders actively. Some of the initiatives of 2013 are shown below:

Programme/ Stakeholder	Staff	Main Contractor	Tenants	Vendors/ Service Providers	Customers (Served Residents, Shoppers, etc) and General Public	Government and Regulators	NGOs
WWF Initiative Earth Hour							
ISO 14001 Certification							
Tree Planting							
Active Participation in National Committees							
SBU Specific Green Initiatives							
Green Innovation Award							

*G4-24 to G4-27

Environment

National Policy Making

CapitaLand participates actively in national efforts towards environmental protection and climate change. It has senior management representation on the boards of various industry bodies.

In Singapore, CapitaLand management served as a member of the Building and Construction of Singapore's (BCA) Green Mark Assessment Committee and a member of its Building Information Modelling (BIM) Guide Development Workgroup in 2013. The President & Group CEO was appointed as a BCA board member in 2013.

CapitaLand is a founding sponsor of the Singapore Green Building Council (SGBC). The council's work complements and supports the government's efforts to accelerate the greening of buildings by 2030. In 2013, a CapitaLand representative served as the Assistant Secretary of the Executive Committee.

In addition, CapitaLand is a Gold member of the Singapore Compact for CSR. CapitaLand is also a corporate member of Singapore Institute of International Affairs (SIIA), a non-profit, non-government organisation dedicated to the research, analysis and discussion of regional and international issues, and the environment.

WWF Initiative – Earth Hour

248 CapitaLand's properties across Asia and Europe participated in Earth Hour 2013 by turning off the façade and non-essential lights through the night on 23 March 2013. It was the sixth year that CapitaLand participated in the annual global sustainability movement to raise awareness on climate change commitment towards protecting the environment.

CapitaLand Earth Hour Photos: Before and After



Environment

Engaging Stakeholders Beyond the Hour, Whole Year Long

CapitaLand understands the importance that end-users play in environmental conservation.

CapitaLand's efforts for Earth Hour went beyond switching off the lights with a series of environmental awareness campaigns organised at its properties, including 'Dare to Go Green' Challenge at its serviced residences, a series of activities at its shopping malls, and a Eco Race for its office tenants in Singapore.

'Dare to Go Green' Challenge

The Ascott Limited launched a 'Dare to Go Green' Challenge in 2013, where serviced residence staff challenged fellow colleagues or residents to meet at least one of these targets: incorporating green elements in the properties and reducing water, energy, paper consumption and waste. 28 serviced residences from nine countries participated in the campaign.



At Somerset Emerald City Suzhou, 16 residents took up a two-week challenge to switch electricity off when they leave the apartment, reduce housekeeping service frequency and take public transport.



For a week, 40 residents from Citadines Sukhumvit 8 and 11 Bangkok walked instead of taking motorised transport to and from the main road.

CCT Eco Race

CapitaCommercial Trust (CCT) Eco Race was organised to educate and promote awareness about environmental sustainability amongst the office tenants. CCT Eco Race 2013, themed "The Carbon Challenge", was attended by over 300 participants from 27 companies across CCT's office properties and staff from the CapitaLand and BCA. Through the race, tenants learnt about the nature of the carbon crisis that is currently underway globally and ways of carbon mitigation. Selected facade lights of office properties were switched off for 24 hours on two weekends after the race to offset the carbon generated during the event. (For more details, please refer to Inside Different Geographies "Racing to Clear the Skies", <http://inside.capitaland.com/advocate/eco-now/201311-racing-to-clear-the-skies>)



Environment

Creativity and Environmental Sustainability

Shopping malls in Singapore, China, Malaysia, Japan and India have been holding green activities to educate the public about environmental causes, and excite them to be involved in the 3Rs – reduce, reuse, recycle.



Toy making using recycled materials at Queensbay Mall, Malaysia



Making halloween costume with recycled materials at CapitaMall Meilicheng, China



Mooncake boxes recycling events at shopping malls in South China

People

Human Capital

Ranked **9th** in the Randstad Award, Singapore, as one of the most attractive employers in the country

53 training hours per employee, well above recommended industry guide of 40 hours

Employees from more than **80 different nationalities**

Women account for about 33% of top management positions

Zero known reports of discrimination Group-wide

Performance linked remuneration for **100%** of employees

CapitaLand has an integrated human capital strategy to recruit, develop and motivate employees. Developing and growing human capital is integral to CapitaLand's business strategy, as reflected by its credo of 'Building People'. Key performance indicators, both for the business as well as for people development, are in place to ensure that employees' performance goals are aligned with the Group's business objectives. Employees are provided with appropriate development opportunities to perform well in their job. At least 95% of employees are required to attend at least one learning event per year and each employee is required to achieve an average of at least 40 hours of learning and development to upskill for continuous improvement.

In 2014, CapitaLand was ranked ninth out of the top 75 companies in the annual Randstad Award that recognises Singapore's most attractive employers. The Randstad Award is based on the results of the largest employment survey of employer branding research in 23 countries across the world. For Singapore, 6,500 jobseekers were asked to evaluate 75 of the largest employers in the country against 17 factors. These employers were then ranked based on the survey results.

Fairness and Diversity

With a global workforce of more than 11,800 employees, CapitaLand is committed to be a workplace of choice for its employees.

CapitaLand upholds 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. CapitaLand has aligned its policies with these

People

four key areas in Singapore and overseas. This includes the signing of the Employers Pledge for Fair Employment Practices with The Tripartite Alliance for Fair Employment Practices (TAFEP)¹ and a commitment to the five key principles of fair employment as follows:

- Recruit and select employees on the basis of merit, such as skills, 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.

In 2013, there were no known reports of any incidence of discrimination by its employees in Singapore and overseas.

As an international company, CapitaLand embraces diversity in various aspects including different cultures, nationalities and languages. There are more than 80 nationalities working for the Group. CapitaLand believes that regardless of ethnicity, age or gender, employees can make a significant contribution based on their talent, expertise and experience. Close to 98% are full-time, permanent employees, while 2% are on contract for periods of between six months to three years.

CapitaLand propagates a localisation strategy for its overseas operations. This ensures that the teams on the ground have a good grasp of local socio-political and cultural sensitivities to help deliver targeted business outcomes for the Group. In 2013, locals accounted for 85% of the employees based in Singapore and 94% of employees based in China.

CapitaLand identifies talents internally and externally to build bench strength as well as talent pipeline for leadership succession planning. CapitaLand recruits talents through a network of local and overseas universities, and also attracts young talents early through scholarship programmes such as the CapitaLand-Building and Construction Authority Singapore Scholarship, CapitaLand-NUS – USP Scholarship (National University of Singapore – University Scholars Programme) and CapitaLand-Ministry of Manpower Singapore National Human Resources Scholarship. Apart from fresh graduates, CapitaLand also employs experienced and mid-career professionals as well as industry veterans.

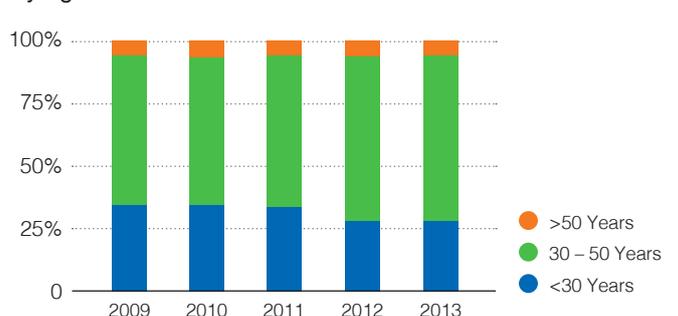
CapitaLand's vibrant, motivated and qualified workforce has given the Group a competitive edge. About 65% of CapitaLand's global workforce is aged 30 to 50. About three-quarters of new recruits in 2013 are born from 1978 onwards, commonly known as Generation-Y. Over 70% of its employees hold tertiary qualifications and above (this includes holders of diploma, and bachelor's and master's degree qualifications).

Globally, the proportion of female to male employees is almost equal, at a ratio of 52%:48% (In Singapore, the proportion of female to male employees is 61%:39%; in China, the ratio is 51%:49%).

Diversity: Global Workforce by Nationality



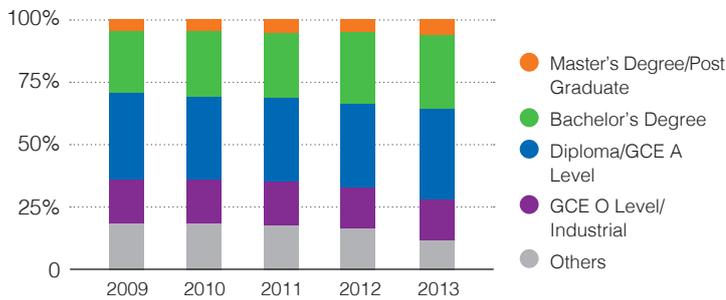
Diversity: Global Workforce by Age



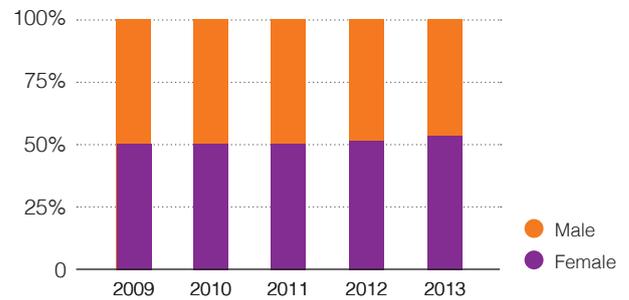
¹ The Tripartite Alliance for Fair Employment Practices (TAFEP) was formed in May 2006 to promote non-discriminatory employment practices and to shift mindset among employers, employees and the general public towards fair employment practices for all workers in Singapore. Members include employer representatives, union leaders and government officials.

People

Global Workforce by Educational Qualifications



Global Workforce by Gender



Re-employment Opportunities

The Singapore government implemented the re-employment legislation in 2012 to enable more people to work beyond the current statutory retirement age of 62, up to 65 in the first instance and subsequently, up to 67 years old. Before the legislation, CapitaLand already had a re-employment policy of extending employment to employees who have reached the mandatory retirement age but are still able and willing to continue contributing to CapitaLand. The re-employment will continue at full pay, although it is permissible by the law to reduce pay upon re-employment as more companies move away from seniority-based wage system for re-employed workers. This policy is applicable to all staff globally. In 2013, a total of 30 employees were above retirement age.

Talent Management

CapitaLand's global workforce comprises an almost equal proportion of males and females.

The company's female employees are well represented at the middle and senior management level. For the past three years, almost 50% of the managerial employees are female. In 2013, about 33% of top management were female with four² of them holding top positions including CEO appointments within the Group.

CapitaLand seeks innovative, dynamic and talented employees to take the company into its next phase of growth. It also adopts a multi-pronged approach to manpower planning, i.e. developing internal talent and hiring young talent, mid-career and industry veterans. CapitaLand continuously builds its management bench strength through identification of high potential talents as part of the regular succession planning process. Talent management decisions are driven by a set of organisational core competencies as well as position-specific competencies. CapitaLand's performance management and talent development programmes provide developmental opportunities to nurture employees' capability and personal traits, underpinned by its core values, through formal classroom trainings, on-the-job exposure, job rotation and mentoring/coaching.

The Board's Executive Resource and Compensation Committee (ERCC) reviews succession planning for the key positions in the company including President & Group CEO and other key management personnel in CapitaLand.

On an annual basis, suitably qualified candidates, from both internal and external sources are reviewed and kept in view in the light of immediate, medium term and longer term needs and readiness. For more information, please refer to pg 72-73 of the CapitaLand Limited Annual Report 2013.

² Leong Soon Peng, Chief Technology Officer, CapitaLand Limited; Lynette Leong, CEO, CapitaCommercial Trust Management Limited; Sharon Lim Hwee Li, CEO, CapitaMalls Malaysia REIT Management Sdn. Bhd.; and Wong Jen Lai, Chief Investment Officer, Residential, CapitaLand Singapore Limited.

Positive Work Environment

CapitaLand recognises that a positive work environment is essential to attract, motivate and retain talents. A total well-being programme has been put in place to promote personal development, health and work-life harmony. Initiatives include a flexible medical and benefits plan, flexible work arrangements, employee engagement initiatives and subsidised rates for employees staying at Ascott's serviced residences.

Fair Remuneration

All staff sign employment contracts with clear terms and conditions and their progress are subject to a formal annual performance assessment.

To ensure that CapitaLand remains competitive and continues to attract and retain the right talents, the Group engages external consultants to benchmark the company's compensation packages against different markets. All regular full-time employees undergo an annual performance review where there is an open discussion on the employee's performance, areas for improvement, developmental needs and career planning.

The Group rewards and motivates employees with comprehensive and competitive compensation and benefits programmes. CapitaLand's compensation packages, which include short-term cash bonuses and long-term equity-based reward plans, are benchmarked against different geographical markets and industries to ensure competitiveness. The performance based Restricted Share Plan (RSP) is an attractive long-term incentive offered to employees of managerial grades to provide them with a personal stake in the Group, contingent on achieving performance targets. This better aligns employee and shareholder interests to deliver business results. For non-managerial grade employees, an equivalent Restricted Cash Plan (RCP) gives equivalent cash awards when business targets are met. The incentive pool is funded by the Group's profitability and economic value added (EVA) performance, to award employees based on their job responsibilities and individual work performance.

Regular benchmarking against different geographical markets and industries, as well as innovation in compensation strategies ensures CapitaLand remains competitive and continues to attract and retain talent.

The remuneration of key management executives are also tied to a set of key performance indicators including their efforts in building the management bench strength and in the development of talent.

CapitaLand monitors the movement of its workforce closely and its staff turnover has remained in a manageable range of between 22.4% to 23.5% for the last three years. In 2013, the turnover was 15% in Singapore and 24% in China which could be attributed to the tight labour market situation.

More than one-third of the employees globally have been with the Group for five years or longer, while total employee headcount has grown due to expanded operations, especially in the shopping mall and service residence businesses. The company also interviews resigning employees as part of its continuing efforts to improve its retention policies and initiatives.

Job Security

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

In January 2013, under the leadership of new President & Group CEO, the Group simplified its operations into four core businesses – CapitaLand Singapore, CapitaLand China, CapitaMalls Asia and The Ascott Limited – to sharpen the Group's focus on key markets and further accelerate its growth potential. With the streamlining, the management takes a 'best person for the job' approach and is committed to ensure that, where there are overlaps in job functions, employees are re-deployed and equipped with necessary skills through training.

People

Industrial Relations

CapitaLand is committed to maintain harmonious labour relations. It respects all employees' right to freedom of association and the right to be members of trade unions. 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, an average of 33% of the bargainable workforce and junior executives in Singapore are union members. Globally, 10% of its workforce is covered by collective agreements. During the year, the union did not express any concerns on employee health and safety issues as CapitaLand has put in place an Environment, Health and Safety Management System which is externally audited.

Learning and Development

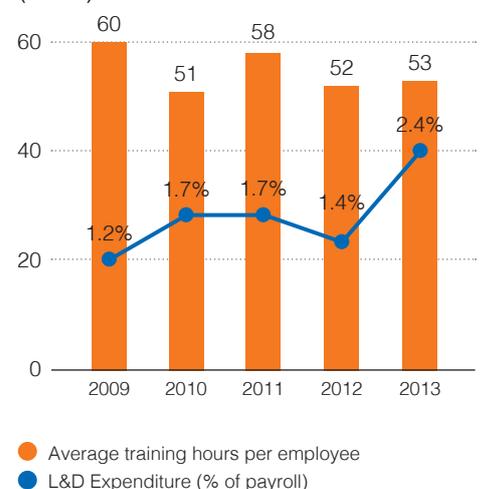
Employees are provided with appropriate training to be better equipped to contribute at optimal levels, and contribute effectively to Group's performance.

CapitaLand commits up to 3% of its annual wage bill towards initiatives for employees' learning and development. This includes personal development courses and certified training programmes to equip employees with the necessary skills for better performance. Employees are granted paid examination leave for their studies. Full-time staff are allowed up to 10 days of examination leave per calendar year.

In 2013, 97% of the workforce attended at least one learning event, and the average number of training hours completed by each employee for the year was 53 hours, well above the recommended industry guide of 40 hours per annum.

CapitaLand's in-house training hub, CapitaLand Institute of Management and Business (CLIMB), has provided over 1,900 training places in 2013 in Singapore. In 2012, CapitaLand expanded its corporate learning and development capability and established its first CLIMB overseas in Shanghai, China, to serve the training needs of close to 7,000 employees in China. CLIMB China has also signed a memorandum of understanding (MOU) with Tongji University's School of Economics and Management in Shanghai to expand its network of training partners. Through the partnership, CapitaLand's employees benefit from the teaching faculty and training resources in real estate and business management programmes in this prestigious university. CLIMB China provided 1,000 training places in 2013.

Investing in Staff (hours)



Staff Engagement*

CapitaLand encourages open communication and positive employee bonding to create a positive work environment that boosts productivity and retains talent.

Quarterly staff communication sessions by the President & Group CEO allow the Group's senior management team to communicate and interact with staff. These sessions are webcast live to CapitaLand offices in Singapore and overseas. During these staff communication sessions, information on the Group's results and key business focus are shared with employees. These sessions include a question and answer session, where employees can choose to raise questions or send in their questions via email and Whatsapp. To provide an additional platform for employees to interact with top management, a dedicated "Ask Group CEO" email was created. In 2013, an employee survey was conducted to establish on how to further improve staff communication with the President & Group CEO.

*G4-24 to G4-27

People

CapitaLand practises an open door policy, allowing all employees to obtain a fair review and a prompt response to problems or concerns relating to any aspects of employment with the Group. This includes harassment, grievance handling and whistle blowing policies applicable to all employees. Staff members can also raise their concerns to a higher level of management or the Human Resource Department.

CapitaLand also publishes an e-newsletter “iConnect” to provide quarterly updates to employees on the latest developments within the Group including highlights of the staff communication sessions, key strategies and stakeholder engagement efforts across the Group.

Information such as employment terms, benefits and practices, Ethics and Code of Business Conduct is made available to all employees through CapitaLand’s intranet portal.

In 2012-2013, CapitaLand announced that the Group’s corporate office and business units in Singapore will operate from a single location, CapitaHub, at Capital Tower. In preparation for the relocation to CapitaHub, CapitaLand organised a series of employee engagement activities to solicit feedback and commence change management. Four briefing sessions were organised for the Corporate Office and over 250 employee feedback were received. In response, a frequently asked questions document was made readily available on the intranet to answer the varied employee queries while suggestions were deliberated for possible implementation.

More than 90% of the Group’s staff in over 20 countries participated in the Group’s second Employee Engagement Survey (EES) in 2012. The results showed significant improvements in the scores across all 16 categories³ in the EES 2012, as compared to 2010. An independent consultancy firm was appointed to administer the survey and to ensure confidentiality in soliciting honest responses from the staff. CapitaLand will commence its third EES in 2014.

ICE (Innovation, Creativity and Entrepreneurship)

The Innovation, Creativity, and Entrepreneurship (ICE) programme was started in 2006 to provide a training and discussion platform to generate new business ideas for CapitaLand. Programmes such as ICEBerg and ICE Camps are established to encourage employees to think differently and to be innovative. Implemented innovations are also shared at staff communication sessions by the President & Group CEO.

ICEBerg is an online platform that rewards staff when they contribute meaningful ideas. ICE Camps have been conducted since 2007 to equip staff with the framework and process to generate, evaluate and market ideas. Senior management attend the presentation sessions at the end of each camp to consider the ideas submitted and help shape them into implementable projects. In 2013, more than 250 employees from China, Singapore and Vietnam shared ideas at ICE camps and related activities. Twenty-one ICE ideas that were generated by CapitaLand employees through ICEBerg and ICE Camps in 2013 were implemented.

As sustainability is integral to CapitaLand’s business, it conducts an annual competition to encourage and identify outstanding Green Innovations within the Group which contribute to the environment and its business. In 2013, three Green Innovation Awards were given out.

³ The 16 categories covered by the Employee Engagement Survey (EES) are: Training, Communication, Teamwork, Innovation, Leadership, Organisation Structure, Career Development, Empowerment, Rewards & Benefits, Company Image and Competitiveness, Values and Strategy and Direction, Working Conditions, Performance Management, Immediate Supervision, Engagement and Work/Life Balance.

People

Occupational Health and Safety

Risk management through external **OHSAS 18001 certification** in 15 countries

Zero staff work-related fatality or permanent disability

16 main contractors appointed in 2013 are OHSAS 18001 certified or externally audited for OHS legal compliance on-site

Commitment to a Safe and Healthy Workplace

Occupational health and safety (OHS) is of utmost importance to CapitaLand, including all its employees, tenants, contractors, suppliers and the communities who use its properties.

CapitaLand's occupational health and safety framework includes identifying material issues, setting policies, ensuring accountability within the company, developing action plans and involving stakeholders.

FRAMEWORK		
Material Issues		
Workplace health and safety of staff	Safety of its properties for stakeholders including residents, shoppers, tenants and the public	Supply chain management
Policy		
<ul style="list-style-type: none"> • Reduce occupational injury rates to achieve zero harm • Provide a robust OHS Management System • Meet and exceed OHS legal requirements • Promote a culture of individual ownership and responsibility for OHS management • Seek proactive support and participation from CapitalLand's stakeholders including top management, all employees, contractors, suppliers and tenants • Drive continuous improvement in OHS performance 		
Accountability		
<ul style="list-style-type: none"> • CEOs are accountable • OHSAS 18001 certified OHS Management System ensures accountability to relevant managers and all staff • Key performance indicators (KPIs) linked to remuneration of all staff 		
Method/Action Plan		
KPI <ul style="list-style-type: none"> • OHS performance of staff • Stakeholder engagement OHS <ul style="list-style-type: none"> • Legal compliance • Identification of hazards and risk assesment • Green Buildings Guidelines – Design for Safety (DfS) • Safe operations – OHS Standard Operating Procedures (SOPs) • Training and awareness 		<ul style="list-style-type: none"> • Appoint OHSAS 18001 certified main contractors or OHS legal compliance on-site • Give preference to OHSAS 18001 certified vendors/suppliers; in Singapore, non-OHSAS 18001 certified vendors/suppliers encouraged to achieve BizSAFE Level 3 and above.
Stakeholder Engagement		
<ul style="list-style-type: none"> • Involve in national policy making • Collaborate with NGOs • Educate end-users, including tenants, shoppers, residents and the general community 		

Top Management Commitment and Staff Involvement

CapitalLand champions OHS with top management commitment and staff participation through an integrated Environmental Health and Safety Management System (EHSMS) and stakeholder engagement activities. CEOs are accountable for the OHS performance of their strategic business units (SBUs). Please refer to the management structure and EHSMS in the Environment Chapter of this report.

All staff assume personal responsibility towards OHS and are encouraged to be forthcoming in reporting all OHS-related incidences, including non-compliances and non-conformities.

People

Key Performance Indicators Tied to Remuneration

CapitaLand incorporates OHS Key Performance Indicators (KPIs) which are linked to remuneration of all its staff, including top management.

Robust Occupational Health and Safety (OHS) Management System

CapitaLand's approach to health and safety is guided by its OHS Management System. Established in Singapore in 2009, it has been extended to Australia, Belgium, China, France, Germany, India, Indonesia, Japan, Malaysia, Philippines, Spain, Thailand, Vietnam and the United Kingdom (UK). CapitaLand's EHS policy outlines the company's commitment to manage OHS issues. Please refer to the EHS policy outlined in the Environment Chapter of this report.

Certified to International Standards

The OHS Management System has been externally audited by a third-party accredited certification body to OHSAS 18001 standards, a recognised international standard for OHS Management System.

Since 2012, the Group achieved OHSAS 18001 certification for its OHS Management System in 15 countries¹ – covering all markets with investment properties. This encompasses all business functions: property management, property development, corporate management and operations.

Global Internal and External Audits

CapitaLand has put in place an internal audit system to ensure that the conformance and effective implementation of its OHS Management System is aligned with OHSAS 18001 international standards. Internal audits are conducted in all 15 markets at least once a year, covering at least 50% of the sites in each country. In addition, external audits are conducted annually by a third-party accredited certification body – TÜV SÜD PSB.

An annual audit of the OHS Management System provides assurance to top management and external investors that it is legally compliant and aligned with the company's best practices.

Compliance

Legal requirements are reviewed on a quarterly basis and compliance is evaluated annually. In 2013, CapitaLand complied fully with local OHS laws and regulations.

Risk Management of OHS Hazards

Identifying OHS hazards and assessing their risks are a key component in CapitaLand's OHS Management System. CapitaLand strives to eliminate or minimise such hazards and risks through various measures.

Hazards Identification and Risk Assessments (HIRA) are undertaken by CapitaLand employees. Cross-functional teams are formed to conduct HIRA for the workplace. The findings are reviewed annually or whenever appropriate, for example, following a change in processes.

OHS hazards are identified for the administration, development and operational functions of CapitaLand's business and their risks are assessed. Examples of hazards include ergonomics, falling from height, falling objects and working in an enclosed space. The SBUs have put in place various SOPs to minimise the occurrence of such hazards.

¹ This excludes countries where CapitaLand does not have any investment projects.

Design for Safety

CapitaLand introduced the requirement of Design for Safety (DfS) for Singapore projects in its Green Buildings Guidelines (GBG) in 2013. It follows the Singapore Workplace Safety and Health Council (WSHC) Design for Safety framework. DfS provides a systematic approach to ensure safety in construction and maintenance is considered right from the design stage and enable CapitaLand to control health and safety risks throughout the life cycle of buildings and structures. It brings about greater safety to contractors building, crews maintaining, users occupying and workers demolishing buildings. Risks identified can be designed out or mitigated in the early phases of a project.

In Singapore, training on DfS was conducted, with 18 staff certified by Singapore WSHC as DfS Coordinators. They are qualified to facilitate Design Reviews and flow of DfS information. The DfS Coordinator would follow through with the project from the design stage to the construction stage until the handover for maintenance. Moving forward, CapitaLand is looking to train its overseas staff.

Training and Awareness

To facilitate effective implementation of its OHS Management System, training and awareness programmes are planned for all staff. Please refer to the Environment Chapter of this report for more details on EHS training programmes. To enhance OHS awareness among its staff, CapitaLand conducted an OHS quiz for its staff in Singapore in 2013, and launched the inaugural Safety 1st @ CapitaLand talk, where industry experts shared their safety processes and practices with CapitaLand's design managers, project managers, operations manager and staff.

In addition, every employee was briefed on how to respond to OHS incidents at the workplace. And as part of staff well-being, CapitaLand regularly organises lunchtime talks relating to health, ergonomics and stress management.

Measures to Mitigate Risks of Serious Diseases

CapitaLand responds to the threat of serious diseases in a timely manner by putting in place appropriate measures to mitigate risks. When necessary, the human resource department disseminates medical and travel advisories to all staff. Information on pandemic planning is made readily available for all staff on the staff intranet.

Measuring Our Safety Performance

2013 Occupational Health and Safety Targets and Performance

Targets	Performance
OHSAS 18001 certification for its OHS Management System in all markets with investment properties	<ul style="list-style-type: none"> Achieved OHSAS certification in 15 countries covering all markets with investment properties Complied fully with local OHS laws and regulations
Zero incident resulting in staff permanent disability or fatality	<ul style="list-style-type: none"> No staff work-related permanent disability or fatality
All main contractors appointed to be OHSAS 18001 certified (or to comply fully with local OHS laws and regulations, annually audited by an independent accredited assessor)	<ul style="list-style-type: none"> 16 main contractors appointed in 2013 <ul style="list-style-type: none"> - 15 are OHSAS 18001 certified - 1 will engage external auditor to conduct site OHS legal compliance audit 5 Workplace Safety and Health (WSH) SHARP and RoSPA awards

People

CapitaLand's performance monitoring includes all employees (both full-time and part-time) involved in the daily operations and project management of its development sites.

In 2013, there were 51 work-related injuries². Most of the staff are from the operations team. All affected staff resumed normal work after medical leave. In all cases, detailed investigations were conducted, and all necessary follow-up action undertaken. CapitaLand will continue to monitor the performance, reinforce safety standards and finetune its SOPs for continuous improvement.

CapitaLand Staff	Singapore	China	Rest of the World	Group Overall
No. of work-related injuries	5	22	24	51
Work-related fatalities/permanent disabilities	0	0	0	0
Injury rate (number of work-related injuries per million hours worked)	1.3	1.7	3.6	2.1
Lost day rate (number of lost man-days per million hours worked)	23.0	88.8	96.4	79.9
Absentee rate ³ (days per employee per year)	6.1	2.7	4.2	3.7

Stakeholder Engagement*

CapitaLand understands the important role that end-users of its buildings and its supply chain have to play. It actively involves its staff, tenants, contractors, suppliers as well as the wider community in health and safety.

	Staff	Tenants	Suppliers and Main Contractors	Community	Government and NGOs
National WSH committees/campaigns					
Safety talk, quiz and emergency response drills					
Tender/contract specifications					

National Policy Making

CapitaLand participates actively in national efforts towards workplace health and safety. In Singapore, this included participation in the WSH Construction and Landscape Committee.

*G4-24 to G4-27

² This is based on work-related incidents that resulted in more than three days of medical leave or more than 24 hours of hospitalisation.

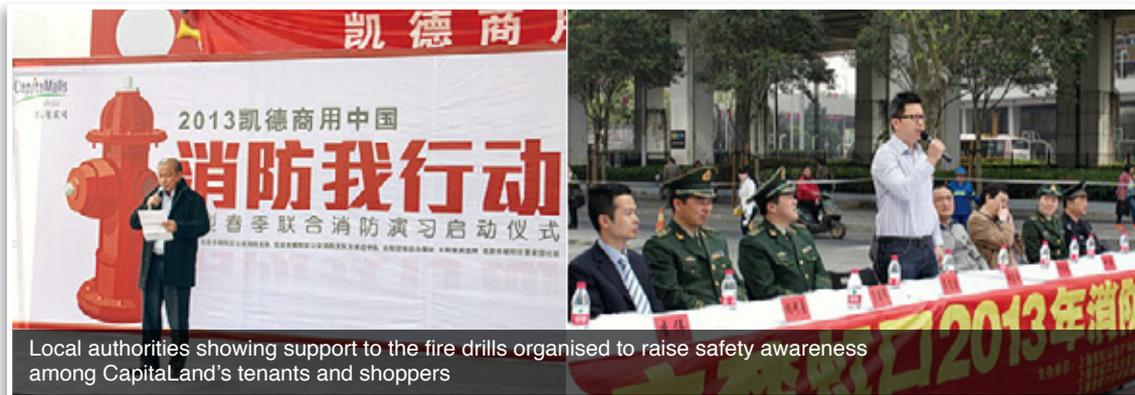
³ Absentee rate is based on medical leave taken by staff, regardless of whether it is work-related illness or not.

People

Tenants and Community

As part of CapitaLand's OHS Management System, emergency response procedures are in place for potential OHS risks. Periodic briefing and evacuation drills are conducted to ensure that staff are familiar with the response plan.

In China, CapitaLand collaborated with the local fire departments to organise fire drills at 43 malls to raise safety awareness among its tenants and shoppers. This was well-received by the local authorities.



Local authorities showing support to the fire drills organised to raise safety awareness among CapitaLand's tenants and shoppers



Local fire departments' active participation in the fire drills

Supply Chain Management

CapitaLand works closely with its contractors and suppliers who are committed to high quality, environmental, health and safety standards. Contractors are only appointed for its projects upon meeting the Group's stringent selection criteria, one of which is safety.

Vendors and Service Providers

For building operations, CapitaLand's contractor management guidelines require all contractors to comply with local government and other legal requirements. All contractors and service providers in Singapore and overseas are required to submit a copy of their risk assessments in cases where their activities may affect the occupational health and safety of CapitaLand employees or visitors.

Vendors and service providers are sent a copy of CapitaLand's EHS Policy. They have to ensure that their staff are sufficiently trained or briefed on environmental, health and safety measures. Contractor house rules which stipulate requirements such as deploying personal protective equipment, reporting of accidents and proper disposal of debris and toxic waste have also been implemented.

People

From 2012, CapitaLand offices in Singapore will only appoint bizSAFE⁴ Level 3 and above certified vendors and service providers upon contract renewal or signing of new contracts. Where possible, CapitaLand intends to stipulate similar requirements for its overseas offices.

In Singapore, more than 90% of its corporate offices' and operating properties' vendors and service providers are bizSAFE Level 3 and above certified.

Main Contractors

CapitaLand requires main contractors appointed for its development projects to be OHSAS 18001 certified or to engage an independent accredited assessor to conduct site OHS legal compliance audits. All 16 main contractors appointed in 2013 fulfilled these requirements.

CapitaLand also tracked the health and safety performance of its main contractors at its worksites in Singapore and overseas.

CapitaLand undertook various initiatives to improve the Accident Frequency Rate⁵ (AFR) and Accident Severity Rate⁶ (ASR) of its main contractors at its sites. In 2013, CapitaLand improved its AFR at its Singapore construction sites to 0.4 cases for every million man-hours worked compared with Singapore national average of 2.0 in 2013. Despite best efforts to ensure site safety, there was a fatality of CapitaLand's main contractor staff in Singapore. This attributed to the increase in the ASR to 220 man-days lost per million man-hours worked which is higher than Singapore national average of 204 man-days lost in 2013.

Lessons from the fatality incident were shared across business units, and the Group's commitment to strengthen its safety standards has been reinforced.

CapitaLand strongly encourages its main contractors in Singapore to apply for the WSH SHARP⁷ awards.

Singapore Projects with Safety Awards 2013

Project	2013 Award
d'Leedon	SHARP, WSH Council, Singapore RoSPA ⁸ Gold
The Interlace	Design and Engineering Safety Excellence (Residential), Building and Construction Authority of Singapore SHARP, WSH Council, Singapore RoSPA Gold, UK
Bedok Mixed Development	RoSPA Gold, UK

⁴ The bizSAFE programme is advocated by the WSH Council in Singapore to promote workplace safety and health in small and medium enterprises. There are five levels.

⁵ AFR is a term used in Singapore by the WSH Council, which measures how often workplace incidents occurred per million man-hours worked.

⁶ ASR is a term used in Singapore by the WSH Council, which measures number of man-days lost to workplace accidents per million man-hours worked.

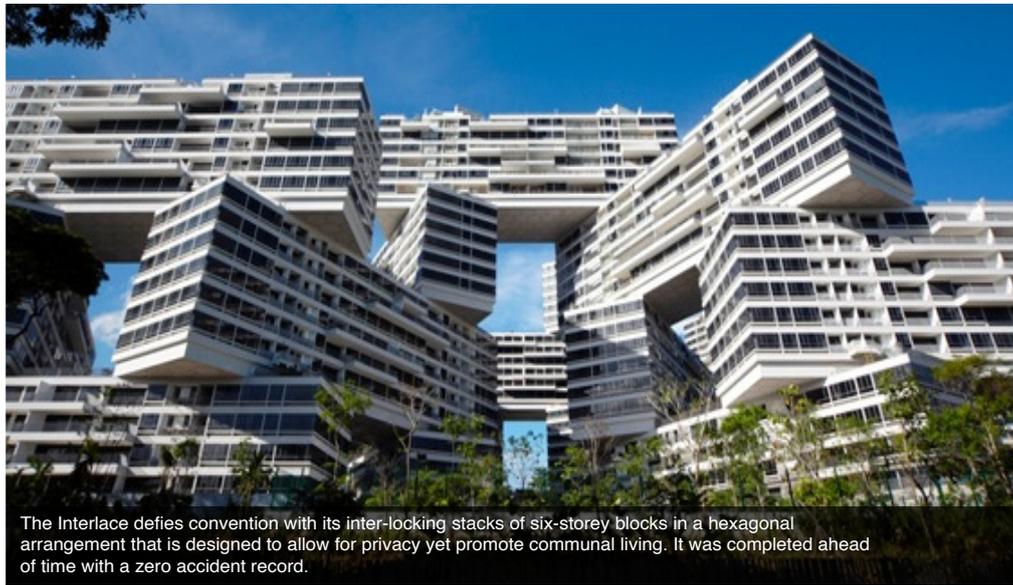
⁷ Safety and Health Award Recognition for Projects (SHARP) Award recognises projects or worksites that have good safety and health performance and workplace safety and health management systems.

⁸ RoSPA (The Royal Society for the Prevention of Accidents, UK) Award recognises organisations with strong and ongoing commitment to raising health and safety standards.

People

The Interlace, Singapore

Interlaced with greenery, quality and safety in mind with the achievement of 14.4 million accident free man-hours during construction



The Interlace achieved zero accident and zero workplace fatality throughout its construction period from 2010 to 2013. This was made possible with the active involvement of all stakeholders.

CapitaLand has put in place a comprehensive OHS Management System which it implements at every stage of its property development life cycle, starting from procurement. It also works closely with all stakeholders to address risks at the source through design considerations. During construction, its project managers conduct frequent site meetings and site walks with contractors to resolve WSH issues together. WSH is also the first item on the agenda for all project meetings. In addition, CapitaLand has launched an incentive scheme to reward contractors who achieve high OHS standards for its project in Singapore. Indeed, this is the approach taken by CapitaLand Singapore for all projects, not just The Interlace.

The Interlace was accorded total of three SHARP and three RoSPA Gold Awards, in recognition of the worksite's good safety and health performance and WSH Management Systems. The site supervisors were also accorded three WSH Supervisor Awards.



Community

Community Development

About **S\$2.5 million** donated by CapitaLand Hope Foundation in 2013

Supported more than **140 charities** since 2005

CapitaLand staff contributed about **17,000 hours** to participate in more than 300 volunteer activities across Asia and beyond

More than **90%** of CapitaLand staff volunteers feel proud and enjoy working in the company with a positive and vibrant corporate culture (Results of post-volunteer surveys)

Conferred **“China Best Corporate Citizen Award”** for the sixth consecutive year by the China Committee of Corporate Citizenship and CCTV2

CapitaLand is committed to be a good corporate citizen in the communities where it operates. One of the pillars in its sustainability approach is community development. Its social investment is in line with its credo of ‘Building People’. CapitaLand aims to build a sustainable future for the next generation through its efforts in corporate philanthropy and employee volunteerism.

FRAMEWORK*	
Vision	
'Building People - Building For Tomorrow'	
Each child has within him or her the potential for greatness, which if nurtured and built upon, can bring significant value to future societies.	
Mission	
To invest in the communities in which CapitaLand operates through its philanthropic arm, CapitaLand Hope Foundation (CHF), to promote social growth and development of underprivileged children, with respect to their education, healthcare and shelter needs.	
Policies	
Corporate Philanthropy <ul style="list-style-type: none"> Underprivileged Children (up to 16 years old) 	Employee Volunteerism <ul style="list-style-type: none"> Volunteer Service Leave (paid): three days per year Volunteer No Pay Leave: up to six consecutive weeks Volunteer Part-Time Work Arrangement: up to six months
Areas of Focus <ul style="list-style-type: none"> Education, Healthcare and Shelter 	Geography <ul style="list-style-type: none"> Communities where CapitaLand operates
Corporate Governance	
Governing Authority <ul style="list-style-type: none"> Established CHF as a corporate foundation governed under the Singapore Charities Act Conferred Grant Maker Status under the Double Tax Deduction scheme Engagement with the Inland Revenue Authority of Singapore and Singapore's Ministry of Social and Family Development to ensure legal compliance Submission of Annual Report to the Commissioner of Charities, Singapore Board of Directors <ul style="list-style-type: none"> Chaired by Mr S R Nathan, former President of the Republic of Singapore Four independent, one non-independent and one executive director 	Internal/External Audit <ul style="list-style-type: none"> Thorough audit of financial accounts and statements for submission to the Commissioner of Charities, Singapore Volunteer Service Administrative System <ul style="list-style-type: none"> Built-in Volunteer Service Leave and Volunteer Service (non-workday) modules into the online HR leave application system Track both workdays and non-workdays volunteer activities
Strategic Goals	
<ul style="list-style-type: none"> Invest in fundamental needs i.e. education, healthcare and shelter of underprivileged children; to relieve them of hardship and eventually break the poverty cycle Focus on communities where CapitaLand operates to ensure better alignment of core business practices with community investment Go beyond donations and be actively involved in projects that will have positive impact on both the community and its business 	
Action Plan	
Alignment with business goals and stakeholders' interest <ul style="list-style-type: none"> Source of funding for CHF: up to 0.5% of CapitaLand's annual net profit Align community investment with business and interests of stakeholders e.g. shareholders, consumers, employees and the community CapitaLand's internal policies, procedures and codes of conduct (e.g. anti-corruption and whistle blowing policy) include references to the importance of community investment Employee Volunteerism <ul style="list-style-type: none"> Advocate volunteerism to embody the true spirit of community investment in CapitaLand Employee involvement can lead to improved teambuilding, better working relationships and enhanced internal brand value Support volunteer efforts with a donation to a children's charity of the employee's choice if all three days of Volunteer Service Leave are taken Progress Management <ul style="list-style-type: none"> Management of community investment through CHF is well supported by the various departments in the company and linked to effective management systems Set meaningful targets and key performance indicators when planning community investment initiatives. In addition to measuring input, e.g. donation amount, CHF will also look into output and outcome, e.g. time invested by staff and impact of donations Collaborate with credible, experienced and established organisations to build community programmes that will have long-term sustainable impact on the beneficiaries Brand Building <ul style="list-style-type: none"> Building brand, reputation and trust among its stakeholders will help CapitaLand garner wider support, which is crucial in maintaining sustainable operations for CHF 	
Impact	
<ul style="list-style-type: none"> Improved academic results and behavioural performance of beneficiaries Staff volunteers feel proud and enjoy working in the company with a positive and vibrant corporate culture 	

*G4-24 to G4-27

CapitaLand Hope Foundation

CapitaLand Hope Foundation (CHF) was established in 2005 to further CapitaLand's community development commitment to 'Building For Tomorrow', by recognising that the long-term success of the company's business is closely intertwined with the health and prosperity of the communities in which it operates.

CHF is a registered charity in Singapore and strongly believes in the importance of first investing in the fundamental needs of education, healthcare and shelter of underprivileged children, relieve them of hardship and eventually break the poverty cycle. CHF goes beyond donations associated with charitable giving, and extends to projects that will have a positive impact for the community.

Every year, CapitaLand allocates up to 0.5% of its net profit to CHF and also provides pro bono administrative support through its CSR department and various other functional departments within the company. As one of the first foundations created by a Singapore real estate company, CHF leverages CapitaLand's extensive geographical footprint by identifying and supporting programmes in communities where CapitaLand operates.

To bolster CapitaLand's community development efforts in China, CapitaLand Hope Foundation (China) (CHFC) partnered China Foundation for Poverty Alleviation to set up a RMB3.5 million (S\$735,000) special fund in 2013. It is the first comprehensive special charity fund set up by a foreign real estate company in China, focusing on support for underprivileged children up to 16 years old in areas of education, healthcare and shelter.

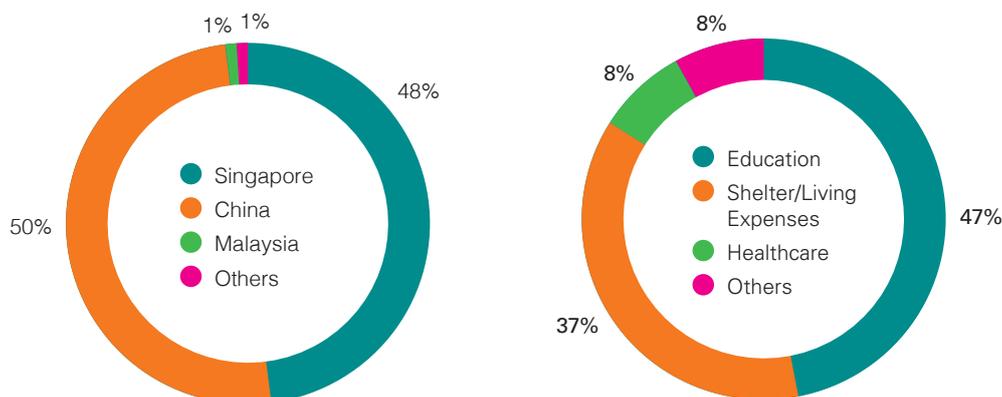
Measuring Our Performance

In 2013, CHF donated about S\$2.5 million to build the communities where CapitaLand operates. Since 2005, CHF has donated more than S\$22 million to support programmes for the education, healthcare and shelter needs of underprivileged children in countries such as China, India, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam, benefitting more than 140 charities.

CHF's series of educational programmes for underprivileged children in China was lauded as one of "2013 Excellent CSR Cases of China and Foreign Corporations" by China Foundation for Poverty Alleviation and Tsinghua University's Research Institute of Innovation and Social Responsibility. CapitaLand was also conferred "China Best Corporate Citizen Award" for the sixth consecutive year by the China Committee of Corporate Citizenship and CCTV2 in recognition of its excellent CSR practices.

In Singapore, CHF has been awarded the Excellence Award (Partners of People's Association) at the People's Association Community Spirit Awards 2013.

CHF Donations in 2013 by Geography and Focus Areas



Community

Some of the key community development programmes for underprivileged children include:

CapitaLand Hope Schools

OBJECTIVE: To provide children in poverty an opportunity to improve their social mobility

Education is pivotal in breaking the vicious poverty cycle and enable future social mobility. In its effort to achieve this objective, CapitaLand has donated to build 25 CapitaLand Hope Schools in remote areas of China and Vietnam. As at 2013, 23 CapitaLand Hope Schools in China and Vietnam were completed to benefit close to 11,000 underprivileged children with a conducive learning environment. Projects are rolled-out to engage and improve the schools, and staff organise volunteer trips to visit and interact with the schoolchildren.

OUTCOME: The main school building of CapitaLand Kongjiafang Hope School, located in Hubei Province of China, was deemed unsafe for use after a torrential rain struck in July 2013. A new school building, constructed with CHF's donation, was completed in late 2013 to provide a safe and enhanced study environment for more than 325 students. During construction, the students studied at other nearby premises, and they were delighted to return to the new school building.



Community

CapitaLand Therapy for Children Project

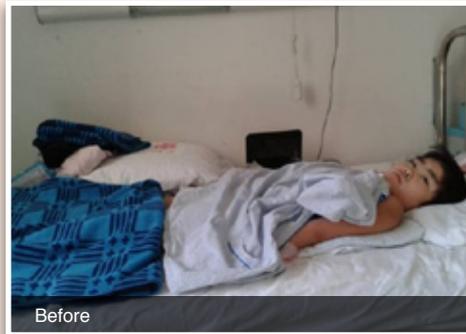
OBJECTIVE: To support the rehabilitation needs of underprivileged children with physical disabilities

CHF China partnered China Charity Federation, a Chinese government-linked charity organisation under the direct charge of the Ministry of Civil Affairs, to launch the CapitaLand Therapy for Children Project. The project funds rehabilitation cost for underprivileged children with physical disabilities due to an illness or accident. The programme aims to aid the children's recovery process for them to lead normal lives.

The first phase of the project launched on 19 December 2012, was completed in January 2014, with the discharge of the final batch of beneficiaries from Beijing Rehabilitation Hospital. A total of 60 underprivileged children between the ages of 3 and 15 from Beijing and its surrounding areas benefited from CHFC's financial support to receive therapy treatment.

OUTCOME:

Zhang Yingying, 10, suffers from scoliosis. Before treatment, she was unable to walk independently due to her weak legs. After about two months of therapy, she is able to transfer herself from the bed to the wheelchair as well as walk for a short distance without assistance.



Fei Yi Ming, 10, suffers from congenital deformity of the nervous system since young. As he grew up, he was unable to walk properly and underwent two surgeries to treat intraspinal lipoma, but his condition did not improve. During the six-week rehabilitation programme funded by CHF, he underwent treatment including wearing a Knee Ankle Foot Orthosis to correct walking posture and physiotherapy. He is now able to walk better and has returned to school.

CapitaKids Programme

OBJECTIVE: To provide long-term educational support for a group of underprivileged children and guide them through a successful learning path

Since 2012, CapitaLand has embarked on a series of education support initiatives under the CapitaKids Programme (CKP) in Singapore and China. As at 2013, there are 165 CapitaKids supported by CHF.

Singapore

"Help Every Lone Parent Family Service Centre" (HELP FSC) is appointed as the voluntary welfare organisation to facilitate the programme in Singapore. The 10 CapitaKids, aged under 16, are children from single-parent families. To provide mentorship support to the CapitaKids, CapitaLand staff volunteer to be CapitaKids mentors and interact with their CapitaKids regularly.

Community

China

Under the CKP @ Arts Scheme, in partnership with the top Chinese arts academy, artistically-gifted Grade 5 and 6 underprivileged students from CapitaLand Hope Schools will receive CHF's support for their junior high to tertiary level education. The objective is to provide the students with an opportunity to realise their full artistic potential and contribute to the preservation of traditional Chinese culture and heritage.

In 2013, the CKP @ Education Bursary Scheme, in partnership with the China Youth Development Foundation, identified academically-gifted Grade 5 and 6 underprivileged students of CapitaLand Hope Schools to provide them with financial assistance to further their studies.

OUTCOME: With mentorship and financial support, CapitaKids and their families feel more assured and do not need to worry about their educational expenses

In Singapore, three out of four CapitaKids who took the Primary School Leaving Examination in 2013 passed the exams and were admitted to Secondary 1. Chrys Ong, Senior Social Worker of HELP FSC commented, "The financial support from CHF has helped CapitaKids to be able to enjoy learning wholeheartedly without the worry of the financial burden they have on their single parents. The mentors have also become alternative role models to the children." CKP Singapore mentor Eddie Lim said, "CKP has been a great channel that allows me to extend my assistance directly to the underprivileged kid. I want to guide the kid to become a contributing member of society."

In China, CKP @ Arts Scheme beneficiaries, Guo Pingyan and Yang Jinfu, started their second school year in September 2013 at The Middle School Affiliated to the National Academy of Chinese Theatre Arts in Beijing. They had their maiden performance alongside established Kunju artistes at the CapitaLand Arts Gala Night in July 2013 held at Shanghai Kunju Opera Troupe for CapitaLand Board Members, senior management and business partners.

Qualifying CapitaLand Hope School students for CKP @ Education Bursary Scheme 2013 increased 74% to 153 CapitaKids. The beneficiaries wrote several appreciation letters to thank CHF for supporting them in their education:

Song Huan, a Grade 6 student at CapitaLand Gushan Hope School, Shaanxi Province, wrote, "Thank you for your kind donation. I will work hard to achieve exemplary results to show my appreciation towards your donation. "

Xie Qiao Hong, a Grade 6 student at CapitaLand Xiecun Hope School, Zhejiang Province, wrote, "Due to my childhood illness, my father has spent all his savings on my treatment. This donation helped relieve my family's financial burden and I am able to concentrate on my studies. I did very well in my Grade 6 exam last year. I was second in class and was one of the model students at the county level. I am now in junior high school year 1 and will continue to strive better."



Community

My Schoolbag

OBJECTIVE: To provide school necessities to relieve educational expenses for schoolchildren from underprivileged families

This is a signature annual CSR programme since 2009 where CHF donates school bags containing school and daily necessities to underprivileged schoolchildren. CHF donated about S\$470,000 to over 21,000 underprivileged children in Singapore, China, Malaysia, India and Vietnam in 2013.

In Singapore, CHF partnered the five Community Development Councils (CDCs) for the second consecutive year to help 750 schoolchildren from low-income families. The children were each given a new school bag and CapitaVouchers worth a total of S\$150 to shop for their daily and school necessities at a CapitaMall located within their districts.



In China, CHF provided 19,200 Primary 1 students from 211 schools in 47 Chinese cities with their first school bags and study materials, including close to 1,000 students from 19 CapitaLand Hope Schools. Five CapitaMalls in Malaysia also hosted 600 underprivileged children from 23 charity organisations for a My Schoolbag shopping trail to purchase school and daily necessities. In India, CHF provided school bags for 355 underprivileged children.

CHF extended the programme to Vietnam in 2013 and provided 180 students from CapitaLand Nang Yen Primary Hope School with new school bags and school items.

OUTCOME: Haney Shafiqah, a Primary 5 student from Singapore, shared, "I am so happy! The new school bag, school shoes, stationery and some household essentials will help my parents to save money so that they do not have to buy these items for me."

Sachitha de Cruz Wilson, a 10 year-old student from Malaysia, said, "My current school bag is already worn out, and I'm thankful to the organisers that I got another."

Huang Hao Lin, a six year-old student from China, only had a used bag made from his grandma's trousers before he received the new school bag. When he carried the beautiful school bag, he was very happy.



Community

Kids' Food Fund

OBJECTIVE: To improve food security and nutrition for underprivileged children in Singapore

CHF launched a series of food-related initiatives in support of United Nations World Food Day on 16 October 2010. In 2013, CHF continued the fourth run of the CapitaLand Kids' Food Fund programme. Partnering the five CDCs in Singapore, CHF funded S\$500,000 for the CDCs to provide 1,000 underprivileged children beneficiaries across Singapore with at least one healthy meal every school day throughout 2014. In order to encourage these latch-key children to eat well, CHF organised its second Kids' Food Fund Junior Chef Cooking Competition to teach the children about the importance of nutrition and equip them with basic cooking skills so that they can prepare simple and nutritious meals at home.

Upon enrolment, 66% of beneficiaries are underweight. Research shows a person with Body Mass Index (BMI) under 18.5 has a higher risk of nutritional deficiency. There will be half-yearly BMI reports in a specially-created KFF online portal to track the BMI of all students in 2014.



CHF board members and mayors from the five community districts in Singapore with the participants of the Kids' Food Fund Junior Chef Cooking Competition

Advocating Staff Volunteerism

CapitaLand is a strong advocate of staff volunteerism. As the first company in Singapore to formalise a three-day Volunteer Service Leave system, Volunteer No Pay Leave and Volunteer Part-Time Work Arrangement, CapitaLand actively organised 307 volunteer activities in 2013 to encourage staff volunteerism.

In 2013, about 2,000 CapitaLand staff volunteered about 17,000 hours¹ during work days to participate in various volunteering activities in Asia and beyond. The overall staff participation rate is maintained at about 17% compared to 2012. 1,645 days of Volunteer Service Leave were taken, translating to an estimated salary cost of over S\$213,000 borne by CapitaLand.

As part of CapitaLand's efforts to recognise and acknowledge staff's social contribution as volunteers, CHF donates S\$500 to a registered Singapore or China-based children's charity of the staff's choice when he/she has taken all three days of Volunteer Service Leave within the year. Eighty-nine staff qualified for this donation incentive for a total of S\$31,600 donated by CHF in 2013.

In 2013, more community development activities were organised to engage the staff and children beneficiaries. Most of the 307 volunteer activities, ranging from P.E.E.K @ Bugis+ to charity donation drives, were targeted to benefit underprivileged children and reached out to more than 48,000 children beneficiaries.

Over 100 staff from Australia, China, Japan, Malaysia, Philippines, Singapore and Vietnam also participated in two international volunteer staff expeditions in 2013. In Tanay, Rizal Province of Philippines, CapitaLand staff embarked on a five-day staff volunteer expedition to support the rebuilding efforts of Gawad Kalinga, in building homes for 300 children who have been left homeless since Typhoon Ondoy struck in 2009. Over at the Sichuan Province of China, CapitaLand had donated S\$100,000 and partnered Habitat for Humanity to provide disaster relief for children and their families affected by the devastating earthquake in April. Staff volunteers put in four days of hard work to help build safe homes that can withstand earthquakes of up to 8.0-magnitude around Tiantaishan Town.

Surveys conducted after key volunteer events showed that 94% of the respondents feel proud to work for the company after volunteering, and 93% expressed that they enjoy working in the company as it has a positive and vibrant corporate culture.



International staff volunteer expedition to support the rebuilding efforts of Gawad Kalinga in Philippines for typhoon victims



In hand with Habitat for Humanity, CapitaLand international staff volunteers helped to rebuild safe homes for earthquake victims in Sichuan, China

¹ 2013 calculations were based on standardised 8.5 hours in a workday and included non-workday volunteer efforts (excluded efforts and the number of hours volunteered by Australand staff).

Community

CapitaLand Volunteer Day

OBJECTIVE: To further promote the spirit of volunteerism in staff

CapitaLand held its inaugural CapitaLand Volunteer Day in conjunction with the Group's 13th anniversary in 2013. Two hundred CapitaLand staff, including senior management, revamped 20 homes of 54 children beneficiaries in Singapore to create a conducive learning environment for the children. Refurbishment works such as painting, cleaning, replacing lighting, repairing and assembling furniture were carried out. Children beneficiaries were presented with desks, chairs, study lighting and fans.

OUTCOME: The revamp for Diana's² home meant a fresh coat of paint in her favourite green colour, a new fan for better air circulation, new study tables, chairs and lighting to create a conducive study area, as well as storage boxes and wall shelves to keep the home organised. Her mother Jennifer² was pleased with the transformation. She shared, "I am so happy. It is better looking now and there are a lot of changes. There is more space and it is brighter. I hope that with the new study area, she can study at home more often. From the bottom of my heart, I am so grateful and thankful for the help given to us."



² Names have been changed.

Community

Social Integration

82% of its shopping malls and office buildings and mixed-use developments have

community spaces

Close to **90%** of CapitaLand properties are located

in **proximity to transport hubs**

More than **90%** of CapitaLand

properties have at least **one disability access enabled facility**

8 Singapore projects achieved **BCA Universal Design Mark** award

Social Integration of CapitaLand Properties

CapitaLand's credo of 'Building People' reflects the company's commitment in building safe, accessible, vibrant and quality real estate developments to enhance the lives of its homeowners, shoppers, tenants, serviced residence guests, and members of the community.

CapitaLand's social integration criteria include:

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

These criteria are integrated into the CapitaLand's Green Buildings Guidelines (GBG) to ensure that they are considered from the start of the project development process.

Universal design (UD) considerations ensure that public spaces in CapitaLand projects are accessible to users of different age groups and varying abilities. These include:

- Seamless connectivity to the external surroundings, e.g. bus-stops, adjacent buildings, streets and sidewalks;
- Barrier-free access from accessible parking lots/ family lots to lift lobbies;
- Sheltered and barrier-free drop-off areas;
- Accessible (handicapped) parking lots, family lots;
- Designated pedestrian lanes in carparks; and
- Amenities such as accessible toilets, lifts and nursing rooms.

Community

CapitaLand champions the UD concept in Singapore. Following the revision of UD Award to UD Mark in 2012 by the Building and Construction Authority (BCA), Singapore, CapitaLand was accorded the largest number of UD Mark awards among real estate developers in Singapore at the BCA Awards 2013, with eight UD Mark awards for four residential projects, one shopping mall, one office building and two mixed-use developments.

The Group's overseas developments are to comply with local UD/ barrier-free codes and guidelines, and are encouraged to adopt BCA's UD Guide in the absence of local codes and guidelines.

A global review of CapitaLand's portfolio of completed and operational properties¹ was conducted in 2012 and reviewed annually since then. More than 60% of the properties² met all criteria for social integration.

More than 90% of CapitaLand properties worldwide have at least one disability access enabled facility. These facilities include accessible alighting and boarding bays, lifts, parking lots and public toilets. Its shopping malls in Singapore and Japan are guide-dog friendly.

Close to 90% of CapitaLand properties worldwide are conveniently located in proximity to transport hubs such as bus-stops and train/subway stations. This allows easy access to the surrounding communities and facilities. Free shuttle bus services are also available at some of its shopping malls. Bicycle storage facilities are also provided at many of its properties. All CapitaLand mixed-use developments are well integrated with public transport facilities.

82% of CapitaLand's shopping malls, office buildings and mixed-use developments have atrium event spaces and/or children play areas. These provide communal spaces to promote community engagement. Increasingly, family or nursing rooms are a common feature at CapitaLand's shopping malls. In Singapore, all shopping malls have family or nursing rooms.

Almost all CapitaLand residential projects have disability access enabled facilities, including accessible alighting and boarding bays, lifts, parking lots and public toilets.

Shopping Malls

Where people gather for more than just shopping

CapitaLand aims to take the lead in creating innovative community spaces at its properties.

In Singapore, CapitaLand was the first company to partner the National Council of Social Services (NCSS) to offer rent-free office space to volunteer welfare organisations (VWOs) in 2005. It utilised the Urban Redevelopment Authority (URA) Community/Sports Facilities Scheme which promotes the integration of community facilities. Through the scheme, CapitaMalls Asia (CMA), the Group's shopping mall business unit, offered space at its well-located office tower at Junction 8 to VWOs, enabling them to reach out to the surrounding communities while it expanded its retail space at the property. This win-win initiative between CMA, NCSS and the VWOs has become a successful case study for other real estate developers.

To date, six other CapitaLand shopping malls have tapped the URA Community/Sports Facilities Scheme. They include the housing of the Singapore Dance Theatre's four professional dance studios and supporting facilities at Level 7 of Bugis+ and the collaboration with the Singapore Sports Council to locate an Olympic-sized ice skating rink at Level 3 of JCube. The latest addition is Westgate Wonderland - a thematic outdoor playground touted as the largest rooftop mall playground in Singapore - designed by Adirondack Studios, an established US theme park designer.

¹ This excludes management contracts where CapitaLand has no control over the development of the facilities, and projects where CapitaLand has the minority stake.

² The Group computed the percentages based on gross floor area (m²) of the properties.

Community

CapitaLand was also one of the first to create “interactive” water features at its shopping malls. The first of such features was introduced at the plaza of Bugis Junction. Since then, CapitaLand has developed Splashparks – interactive water features designed especially for children at shopping malls – IMM, Sembawang Shopping Centre and Lot One Shoppers’ Mall.



In China, CapitaMall Jinniu features a 13,000 m² roof garden comprising cafes, a pets’ corner, two multi-purpose sports courts, a children’s playground, a youth activity zone and an elderly fitness zone to serve as a social hub for the local community.



At CapitaMall Qibao, 700m² of roof top space was transformed into an organic farm to propagate environmental awareness and cultivate a love for nature in children and their families. It is currently CapitaLand’s first and only permanent rooftop farm in a shopping mall.



Community

The Interlace, Singapore

A home designed for Everyone

Universal Design Mark Platinum

Building and Construction Authority (BCA), Singapore

The Interlace's unique building form, with apartment blocks stacked in a hexagonal arrangement, enables the creation of generous green areas which are spread evenly throughout the eight hectare (80,000 m²) site. Eight communal courtyards, nine communal sky terraces and numerous private roof gardens cater to the varying spatial needs of all the residents. Where the terrain or structure results in differences in levels, lifts and ramps are used extensively to allow everyone ease of access to all these facilities.

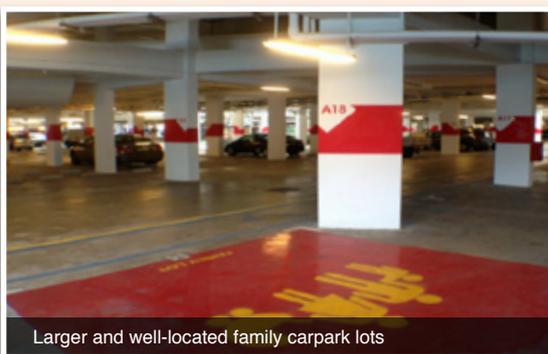


Wheelchair-friendly garden zone where grandparents can join their grandchildren for an educational tour

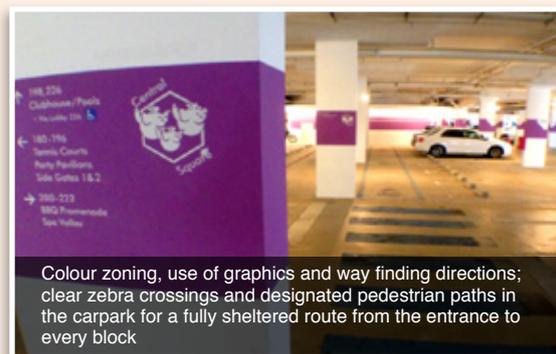


User-friendly graphics are incorporated in signage to provide a more unique identity to each courtyard

All courtyards and sky terraces are designed with individual themes and are evenly distributed across the development, putting them in close proximity to all residents. All eight themed courtyards and activity clusters with communal facilities are placed evenly on the environmental deck (E-deck) and linked by a one-kilometre long by four-metre wide jogging track. The provision of ample activity areas strengthens the community bond among residents. Starting from the basement, larger handicap and family parking lots are provided for the convenience of wheelchair users and families with prams. Bicycle lots and pedestrian walkways are harmonised with the basement layout. Careful planning and signage placement help residents and visitors navigate the 1,000 plus-lot carpark confidently.



Larger and well-located family carpark lots



Colour zoning, use of graphics and way finding directions; clear zebra crossings and designated pedestrian paths in the carpark for a fully sheltered route from the entrance to every block

The E-deck and basement car park separates pedestrian and vehicular circulation for the comfort and safety of residents. Certain apartment units are designed with ageing-in-place provisions such as step-less bathrooms and wider passage ways. As the site is a sprawling eight hectares (80,000 m²), features such as a prominent arterial Y-Axis pathway that connects the entire development helps to orientate residents on the ground. A large central water feature that is easily visible from various locations in the development enhances navigation. Distinct landscape features and sculptures give each space a unique identity, making the scale of the spaces more palatable to residents and visitors.

Awards & Accolades

In 2013, CapitaLand Group and its properties clinched over 100 awards and accolades. Some of the awards and accolades are listed in pg 16-19 of the CapitaLand Annual Report 2013.

Material Aspects & Boundaries

Material Aspects (G4-19)	Aspect Boundary: Internal and External (G4-20 and G4-21)	DMA References
Economic		
Economic Performance	CapitaLand Group (CL)	Financial Performance (pg 11)
Market Presence	CL, investors	People (pg 40)
Indirect Economic Impacts	CL, community	Community (pg 54, 63)
Environmental		
Materials	CL, contractors	Environment (pg 18-25)
Energy	CL, contractors	
Water	CL, contractors	
Biodiversity	Relevant to the communities where CL operates	
Emissions	CL, contractors	
Effluents and Waste	CL, contractors and suppliers	
Product and Services	CL, tenants, customers	
Compliance	CL, investors	
Supplier Environmental Assessment	CL, contractors and suppliers	
Social		
Labour Practices and Decent Work		
Employment	CL	People (pg 40-42)
Labour/Management Relations	CL	People (pg 43)
Occupational Health and Safety	CL	People (pg 46-48)
Training and Education	CL	People (pg 39, 43)
Diversity and Equal Opportunity	CL	People (pg 39-41)
Human Rights		
Non-Discrimination	CL	People (pg 39-40)
Freedom of Association and Collective Bargaining	CL	People (pg 43)
Child Labour	CL	People (pg 39-40)
Forced or Compulsory Labour	CL	People (pg 39-40)
Assessment	CL	People (pg 46, 50-51)
Supplier Human Rights Assessment	CL, contractors	People (pg 46, 50-51)
Human Rights Grievances Mechanisms	CL	People (pg 39-40)
Society		
Local Communities	CL, communities	Environment (pg 18), People (pg 46), Community (pg 54, 63)
Anti-corruption	CL, investors, customers, communities	Governance (pg15-16)
Compliance	CL	Governance (pg 16), People (pg 40)
Product Responsibility		
Customer Health and Safety	CL, tenants, contractors, suppliers, and communities	People (pg 46), Community (pg 63)
Marketing Communications	CL, customers	GRI Index (pg 73)
Customer Privacy	CL, customers, investors	GRI Index (pg 73)

GRI Index

GRI Content Index for 'In accordance' – Core

The GRI Content Index references CapitaLand Limited Sustainability Report 2013 and the Annual Report 2013 (AR).

GRI Indicator	Description	Page Reference and Remarks	External Assurance ¹ (pg 74-77)
General Standard Disclosure			
Strategy and Analysis			
G4-1	Statement from senior decision-maker	President and Group CEO's Message (pg 9-10), AR (pg 4-12)	✓
G4-2	Description of key impacts, risks, and opportunities	Governance (pg 14), Environment (pg 18), People (pg 46), Community (pg 54), AR (pg 33-67)	✓
Organisation Profile			
G4-3	Organisation's name	Introduction (pg 4)	✓
G4-4	Primary brands, products, and services	Introduction (pg 1)	✓
G4-5	Location of the organisation's headquarters	Introduction (pg 4)	✓
G4-6	Countries of operation	AR (pg 76,106-122)	–
G4-7	Nature of ownership and legal form	AR (pg 90-91)	–
G4-8	Markets served	AR (pg 76, 106-122)	–
G4-9	Scale of the organisation	Introduction (pg 1), AR (pg 2)	✓
G4-10	Workforce figures	People (pg 39-41)	✓
G4-11	Percentage of total employees covered by collective bargaining agreements	People (pg 43)	✓
G4-12	Organisation's supply chain	Introduction (pg 5,7), Environment (pg 21, 33), People (pg 46, 48, 50-51)	✓
G4-13	Significant changes during the reporting period	AR (pg14-15)	–
G4-14	Report whether and how the precautionary approach or principle is addressed by the organisation	Environment (pg 18, 22-25)	✓
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes	Introduction (pg 4), Governance (pg 12), People (pg 39-40)	✓
G4-16	Memberships of associations and national or international advocacy organisations	Introduction (pg 7), Governance (pg 13), Environment (pg 36), People (pg 49)	✓
Identified Material Aspects and Boundaries			
G4-17	Entities included in the organisation's consolidated financial statements	Introduction (pg 4). All entities in AR are covered in Sustainability Report, except for Australand which was re-classified as a regional investment in 2013 and divested in 2014.	✓

¹ External assurance is only for Sustainability Report and does not cover CapitaLand Limited Annual Report 2013.

GRI Index

GRI Indicator		Description	Page Reference and Remarks	External Assurance ¹ (pg 74-77)
G4-18		Process for defining the report content and the aspect boundaries	Introduction (pg 7-8)	✓
G4-19		Material aspects identified in the process for defining report content	Material Aspects and Boundaries (pg 68)	✓
G4-20		Aspect boundary within the organisation		✓
G4-21		Aspect boundary outside the organisation		✓
G4-22		Effect of any restatements of information provided in previous reports	Environment (pg 29, carbon emissions, energy and water usage charts)	✓
G4-23		Significant changes from previous reports in the scope and aspect boundaries	Introduction (pg 4, exclusion of Australand's data)	✓
Stakeholder Engagement				
G4-24		List of stakeholder groups	Introduction (pg 5-7), Environment (pg 18, 35-38), People (pg 43-44, 49-52), Community (pg 54), AR (pg 13)	✓
G4-25		Identification and selection of stakeholders	Introduction (pg 5-8), Environment (pg 18, 35-38), People (pg 43-44, 49-52), Community (pg 54), AR (pg 13, 64-67, 70-75)	✓
G4-26		Approaches to stakeholder engagement	Introduction (pg 5-8), Environment (pg 18, 35-38), People (pg 43-44, 49-52), Community (pg 54), AR (pg 13, 64-67, 70-75)	✓
G4-27		Key topics and concerns raised through stakeholder engagement	Introduction (pg 5-8), Environment (pg 18, 35-38), People (pg 43-44, 49-52), Community (pg 54)	✓
G4-28		Reporting period	Introduction (pg 4)	✓
G4-29		Date of previous report	FY 1 January to 31 December 2012	✓
G4-30		Reporting cycle	Introduction (pg 4)	✓
G4-31		Contact point	Introduction (pg 4)	✓
G4-32		GRI Content Index	GRI Index (pg 69-74)	✓
G4-33		Assurance	Independent Assurance Statement (pg 74-77)	✓
Governance				
G4-34		Governance structure	AR (pg 20-60)	-
Ethics and Integrity				
G4-56		Organisation's values, principles, standards and norms of behaviour	Introduction (pg 1), Governance, AR (pg 2, 53)	✓
Performance Indicators				
Economic				
Economic Performance	G4-EC1	Direct economic value generated and distributed	Financial Performance (pg 11), AR (pg 3, 77-89)	✓

GRI Index

GRI Indicator		Description	Page Reference and Remarks	External Assurance ¹ (pg 74-77)
Market Presence	G4-EC6	Proportion of senior management hired from local community	People (pg 40)	✓
Indirect Economic Impacts	G4-EC7	Development and impact of infrastructure investments and services supported	Introduction (pg 5), Environment (pg 26-28), Community (pg 55-66)	✓
	G4-EC8	Extent of impacts	Introduction (pg 5), Environment (pg 26-28), Community (pg 55-66)	✓
Environment				
Materials	G4-EN1	Materials used by weight or volume	Environment (pg 27, 28, 33-34)	✓
	G4-EN2	Percentage of materials used that are recycled input materials	Environment (pg 27, 28, 33-34)	✓
Energy	G4-EN3	Energy consumption within the organisation	Environment (pg 30)	✓
	G4-EN4	Energy consumption outside of the organisation	Environment (pg 33)	✓
	G4-EN5	Energy intensity	Environment (pg 30, 31)	✓
	G4-EN6	Reduction of energy consumption	Environment (pg 21, 27, 28, 31)	✓
	G4-EN7	Reductions in energy requirements of products and services	Environment (pg 21, 27, 28)	✓
Water	G4-EN8	Total water consumption	Environment (pg 32)	✓
	G4-EN9	Water sources affected	None during the reporting period Environment (pg 32)	✓
	G4-EN10	Water recycled and reused	Environment (pg 32)	✓
Biodiversity	G4-EN11	Protected areas or areas of high biodiversity	None during the reporting period Environment (pg 25)	✓
	G4-EN12	Impact on biodiversity		✓
	G4-EN14	Endangered species effected		✓
Emissions	G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Environment (pg 29)	✓
	G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Environment (pg 29)	✓
	G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	Environment (pg 30)	✓
	G4-EN18	Greenhouse gas (GHG) emissions intensity	Environment (pg 29)	✓
	G4-EN19	Reduction of greenhouse gas (GHG) emissions	Environment (pg 29)	✓
Effluents and Waste	G4-EN22	Total water discharge by quality and destination	Environment (pg 25, 32)	✓
	G4-EN23	Waste management	Environment (pg 33-34)	✓
	G4-EN24	Significant spills	Environment (pg 22, 25)	✓
	G4-EN25	Hazardous waste	No hazardous waste generated by the Group's operations.	✓
	G4-EN26	Discharge and runoffs affecting protected water bodies	None during the reporting period Environment (pg 22, 25)	✓

GRI Index

GRI Indicator		Description	Page Reference and Remarks	External Assurance ¹ (pg 74-77)
Products and Services	G4-EN27	Initiatives to mitigate environmental impacts of products	Environment (pg 21, 27, 28, 31)	✓
Compliance	G4-EN29	Fines and non-monetary sanctions for non-compliance with environmental laws and regulations	Environment (pg 22)	✓
Supplier Environmental Assessment	G4-EN32	% of new suppliers screened using environmental criteria	Environment (pg 21)	✓
Social				
Labour Practices and Decent Work				
Employment	G4-LA1	Employee turnover	People (pg 42)	✓
Labour/ Management Relations	G4-LA4	Notice period regarding operation changes	People (pg 42)	✓
Occupational Health and Safety	G4-LA5	% of staff represented in OHS committee	People (pg 45-49)	✓
	G4-LA6	Occupational injury	People (pg 49)	✓
Training and Education	G4-LA9	Average hours of training	People (pg 43)	✓
	G4-LA10	Skills management and lifelong learning	People (pg 43)	✓
	G4-LA11	Performance and career development reviews	People (pg 42)	✓
Diversity and Equal Opportunity	G4-LA12	Diversity	People (pg 39-41)	✓
Human Rights				
Non-discrimination	G4-HR3	Incidents of discrimination and corrective action taken	People (pg 39-40)	✓
Freedom of Association and Collective Bargaining	G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	People (pg 43)	✓
Child Labour	G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour and measures taken to the effective abolition of child labour	People (pg 39-40)	✓
Forced or Compulsory Labour	G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures taken to eliminate it	People (pg 39-40)	✓
Assessment	G4-HR9	% of operations subjected to human rights reviews	People (pg 43, 46-49)	✓
Supplier Human Rights Assessment	G4-HR10	% of suppliers screened using human rights criteria	People (pg 48, 50-52)	✓
Human Rights Grievances Mechanisms	G4-HR12	Number of grievances about human rights impacts	People (pg 40)	✓

GRI Index

GRI Indicator		Description	Page Reference and Remarks	External Assurance ¹ (pg 74-77)
Society				
Local Communities	G4-SO1	Operations with local community engagement, impact assessments, and development programmes	Environment (pg 25), People (pg 43, 49-52), Community (pg 54-66)	✓
Anti-corruption	G4-SO2	Risk assessment for corruption	Governance (pg 15-16)	✓
	G4-SO4	Communication and training on anti-corruption policies and procedures	Governance (pg 15-16)	✓
	G4-SO5	Incidents and action taken	Governance (pg 15-16)	✓
Public Policy	G4-SO6	Political contributions	Not applicable as the Company does not extend political donations.	✓
Compliance	G4-SO8	Fines and non-monetary sanctions for non-compliance with laws and regulations	Governance (pg 16), People (pg 40)	✓
Product Responsibility				
Customer Health and Safety	G4-PR1	Health and safety impacts assessment of products and services	People (pg 46), Community (pg 63-64)	✓
	G4-PR2	Incidents of non-compliance	People (pg 47)	✓
Marketing Communications	G4-PR7	Incidents of non-compliance with regulations and voluntary codes concerning marketing communications	There were no incidents in CapitaLand of non-compliance with regulations and voluntary codes concerning marketing communications, which include advertising, promotion and sponsorship during the reporting period.	✓
Customer Privacy	G4-PR8	Substantiated complaints regarding breaches of customer privacy and losses of customer data	There were no known complaints during the reporting period.	✓

This report has been prepared in accordance with the Core level requirements in the G4's reporting standards as defined by the Global Reporting Initiative (GRI). This report has also received the Materiality Matters check by GRI as of 18 June 2014.



This report may contain forward-looking statements. Forward-looking statement is subject to inherent uncertainties and is based on numerous assumptions. Actual performance, outcomes and results may differ materially from those expressed in forward-looking statements. Representative examples of factors which may cause the actual performance, outcomes and results to differ materially from those in the forward-statements include (without limitation) changes in general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate investment opportunities, competition from other companies, shifts in customers' demands, changes in operating conditions, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management of future events.

Independent Assurance Statement

To the Management and Stakeholders of CapitaLand Limited

CapitaLand Limited (CapitaLand) engaged Ere-S Pte Ltd (Ere-S) to carry out an independent assurance of CapitaLand's Sustainability Report 2013 (the Report). The engagement took place in April and May 2014.

Scope and type of assurance

The assurance encompassed the entire Report and focused on all figures, statements and claims related to sustainability during the reporting period January 2013 to December 2013, as well as historical figures where relevant.

The assurance engagement was executed in accordance with a Type 2 assurance of the AA1000 Assurance Standard (AA1000AS 2008), which consists of:

- Evaluating the company's sustainability framework and processes using the inclusivity, materiality and responsiveness criteria of the AA1000 AccountAbility Principles (AA1000APS 2008), and
- Evaluating the quality of the reported sustainability performance information.

To assess the quality of the disclosures, Ere-S used the Global Reporting Initiative (GRI) G4 Reporting Principles, which include: reliability, accuracy, balance, comparability, timeliness, clarity, sustainability context and completeness.

Level of assurance and limitations

A moderate level of assurance under AA1000AS was provided for this engagement. A moderate assurance is limited to desktop review and management-level evidence gathering and data verification.

The assurance did not cover financial data, technical descriptions of buildings, equipment and production processes or other information not related to sustainability or already supported by existing documents, such as third-party audits or certifications, CapitaLand Annual Report and previous CapitaLand Sustainability Reports.

Responsibility and independence

This statement represents the independent opinion of Ere-S. The management of CapitaLand was responsible for the preparation of the Sustainability Report and all statements and figures contained within it. The responsibility of Ere-S is to provide the assurance, to express conclusions in relation to the agreed scope and to prepare the assurance report and this assurance statement for the management of CapitaLand alone and for no other purpose. Ere-S has not been involved in the development of the Report or the disclosed management processes; neither has Ere-S been engaged by CapitaLand for other projects. The activities of Ere-S are independent of CapitaLand and contain no financial interest in CapitaLand's business operations. Ere-S is not responsible for any actions taken by other parties as a result of the findings presented in this assurance statement.

Assurance methodology

The assurance procedures and principles used for this engagement were drawn from the International Standard on Assurance Engagements (ISAE) 3000 and methodology developed by Ere-S, which consists of the following steps:

1. Identify statements and data sets, which are classified according to the relevant data owners and the type of evidence required for the verification process.
2. Carry out interviews with key functional managers and data owners at CapitaLand's corporate office in Singapore. Data verification included the following:
 - Enquiring about the quantitative and qualitative aspects of the Report disclosures, including performance information, policies, procedures and underlying management systems.

Independent Assurance Statement

- Requesting evidence of the data sources and explanation of relevant collection and calculation methods to substantiate the figures and claims.
 - Sampling quantitative data originating from multiple sources.
 - Challenging the claims made in the Report and, where possible, confirming the presented evidence, including calculation methods, criteria and assumptions, with multiple data owners and other documentation from internal and external sources.
 - Crosschecking data with previous CapitaLand sustainability reports and CapitaLand's latest published financial results.
3. Assess the collected information and provide recommendations for immediate correction where required or for future improvement of the Report content.

Findings and observations

Compared to the previous assurance conducted by Ere-S in 2013, several improvements in CapitaLand's performance measurement processes have been observed and provide more confidence in the comprehensiveness and reliability of the reported information. For example, data performance reporting has been expanded with additional indicators covering more properties. There is also evidence of further streamlining of performance measurement processes across the Group, in the form of internal audits on reporting processes as well as standardisation and translation of the internal reporting documents.

The Report includes additional GRI indicators, more comprehensive performance disclosures, especially in the environment (e.g. waste management including recycling and embodied carbon emissions) and safety categories. In line with GRI G4 requirements, more references to materiality assessment and stakeholder engagement have been included.

The clarity of the Report content is found to be adequate, with qualitative and quantitative data, summary tables and charts that allow comparison with previous reports. The Report statements and figures show a good level of accuracy and reliability. The evidence and data sets presented by the data owners during the assurance interviews were sufficiently detailed, with a few minor exceptions. The relevant information was readily traceable to the source via the environmental tracking system (ETS) and the human resources data system. In all other cases, well-organised data sheets and registers with source documents were presented to Ere-S.

When inaccuracies were detected during the verification process, corrective actions were taken by the relevant data owners and the reporting team. Ere-S cross-checked the final version of the Report to confirm that the required corrections were made.

Progress can be made with better alignment in the levels of disclosure on the same topic for different geographical business units of the Group. For example, the data on overall health and safety performance could be broken down to show the individual figures for additional key countries other than Singapore and China. The Report would also benefit from more balanced content showing clearer and more detailed information to help understand CapitaLand approaches to identify, understand and assess the key aspects that are material within its local and global context.

Evaluation of the adherence to AA1000 AccountAbility Principles

Inclusivity - How the organisation engages with stakeholders and enables their participation in identifying issues and finding solutions.

The assurance confirms that diverse stakeholder engagement activities have been undertaken by CapitaLand. For employees, these include regular group discussions with top management and other feedback channels to share their concerns. There is also evidence of meetings with union representatives organised during the year. Other stakeholder

Independent Assurance Statement

groups, such as suppliers and community partners are also given the possibility to provide feedback through group events and training sessions.

With the exception of consistent engagement with employees in Singapore and, in lesser extent, customers and government agencies, Ere-S did not observe regular and formal participation of stakeholders in decision making. Evidence of it is particularly little for overseas business units and for issues other than environment and safety.

Materiality - How the organisation recognises issues that are relevant and significant to it and its stakeholders.

Consideration and management of sustainability issues across the Group are evidenced by CapitaLand's Sustainability Council and the Group-level risk management structure that covers human capital, environment, health & safety and fraud and corruption. Remuneration of key executives is tied to key performance indicators covering the same topics. The assurance also confirms the existence of underlying measurement and verification mechanisms, such as internal reporting and regular audits (under the ISO 14001 and OHSAS 18001 certifications, for example). These are used to regularly assess sustainability performance and can eventually lead to the identification of new issues. Ere-S commends the company's newly-added disclosures on Universal Design, material and waste recycling and, especially, embodied emissions. These additions demonstrate that prioritisation of material issues has been reviewed and CapitaLand has adapted reporting processes accordingly.

However, there is less evidence of similar mechanisms for assessment of material issues beyond environment and safety categories, which could be more specific and material for overseas units. For example, procedures to identify and assess key human rights issues in CapitaLand's global supply chain are still not observed for the countries prone to human rights risks.

Responsiveness - How the organisation responds to stakeholder issues and feedback through decisions, actions, performance and communication.

Over recent years, continuous improvements in responding to environmental and safety issues have been observed. These include proactive adaptation of company policies, processes and key performance indicators to comply with requirements from new regulations or certification standards.

Overall, CapitaLand's direct responses to the concerns of stakeholders appear to be most common when it comes to employees and customers. Significant decisions or actions that directly emanate from engagement with other stakeholder groups during the reporting period have not been observed.

The company offers multiple channels and events to inform and educate stakeholders on material issues and the company's performance. These include online portals, newsletters, emails, reports, conferences and awareness programmes.

Conclusion

On the basis of a moderate assurance engagement according to the above-listed criteria, nothing has come to our attention that causes us not to believe that, in all material respects, CapitaLand's Sustainability Report 2013

- provides a credible and fair representation of the organisation's sustainability profile and a reasonable application of the AA1000 AccountAbility Principles.
- includes statements and figures that achieve an adequate level of reliability and accuracy.

The assurance findings also provide confidence that the Report has been prepared in accordance with the GRI G4 Reporting Principles.

Independent Assurance Statement

Moving forward

For further improvement of sustainability reporting by CapitaLand, Ere-S recommends the following:

CapitaLand is encouraged to progress in its efforts to measure and report performance information on construction waste and embodied carbon emissions and expand the framework to additional projects. The implementation of tracking and verifying the data for these new material aspects at all properties will be challenging, especially overseas. However, CapitaLand should be able to progressively integrate and align the new indicators within the current Environmental Tracking System, provided that control procedures, such as internal audits, are applied in parallel.

The above findings and additional suggestions for improvement have been presented to the management of CapitaLand in a more detailed assurance report.

Singapore, 4 June 2014



Jean-Pierre Dalla Palma

Director, Ere-S,
Lead Certified Sustainability Assurance Practitioner



Ere-S Pte Ltd is a consulting company specialising in business sustainability and provides services in the domains of sustainability reporting, sustainability report assurance, stakeholder engagement and CSR training. Our assurance team is composed of assurance practitioners with expertise in CSR and each member is required to follow Ere-S' assurance code of conduct, which can be found at <http://www.ere-s.com/assurance-code-of-conduct/>.

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