



Positioning for a Sustainable Future

CapitaLand Limited
Global Sustainability Report 2014



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Cover (from top to bottom)
Capital Tower, Singapore
Raffles City Chengdu, China
The Interlace, Singapore
CapitaMall Tianfu, China
Bugis Junction, Singapore
Citadines Suites Louvre Paris, France

Introduction

Corporate Profile

CapitaLand Limited is one of Asia's largest real estate companies headquartered and listed in Singapore. The company leverages its significant asset base, design and development capabilities, active capital management strategies, extensive market network and operational capabilities to develop high-quality real estate products and services. Its diversified global real estate portfolio includes integrated developments, shopping malls, serviced residences, offices and homes. Its two core markets are Singapore and China, while Indonesia, Malaysia and Vietnam have been identified as new growth markets. The company also has one of the largest real estate fund management businesses with assets located in Asia.

CapitaLand's listed real estate investment trusts are Ascott Residence Trust, CapitaLand Commercial Trust, CapitaLand Mall Trust, CapitaLand Retail China Trust and CapitaMalls Malaysia Trust.

Vision

To be a leading global enterprise that enriches people and communities through high-quality real estate products and services.

Mission

Customers: We create great customer value and experiences through high-quality products and services.

People: We develop high-performing people and teams through rewarding opportunities.

Investors: We deliver sustainable shareholder returns and build a strong global network of capital partners

Communities: We care for and contribute to the economic, environmental and social development of communities.

Core Values

Respect: We believe in mutual trust and respect at all levels. This is fundamental to a high-performance culture that embraces diversity and teamwork as One CapitaLand.

Integrity: We embrace the highest standards of integrity. We have the courage to do what is right, and earn the trust of all our stakeholders.

Creativity: We constantly innovate to enhance value and stay ahead.

Excellence: We pursue excellence and persevere in everything we do.

Introduction

FY2014 Highlights



7th out of 664 companies in the Governance and Transparency Index 2014



13.6% and 21.6% energy and water reduction respectively (per m²) since 2008



Over **\$76 million** in cost avoidance for utilities since 2009



Over **4,500** tonnes of recyclable waste diverted from landfills



Only Singapore company concurrently listed on Global 100 Most Sustainable Corporations, Sustainability Yearbook, Dow Jones Sustainability World Index, FTSE4Good and Regional Sector Leader in the Global Real Estate Sustainability Benchmark



Introduction

FY2014 Highlights



Just over **30%** of senior management positions filled by women



Over **60** training hours per employee



Zero staff work-related fatality



Over **350** volunteer activities organised



More than **28,000** hours contributed by staff in CapitaLand properties



Introduction

About this Global Report*

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

International Standards and 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. This Report has successfully completed the GRI Materiality Disclosures service which verifies that the General Standard Disclosures G4-17 to G4-27 were correctly located in both the GRI Content Index and in the text of this Report. It includes the Group's management approach in integrating sustainability into its policies, structure, management and operations, and outlines 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, particularly in Singapore and China.

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 preparing to be a signatory to the United Nations Global Compact and commit to the Global Compact's 10 principles. This annual Sustainability Report can serve as its Communication on Progress (COP).

CapitaLand's carbon footprint is calculated in accordance with the Greenhouse Gas (GHG) Protocol, developed by World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD) which set the global standard for how to measure, manage and report greenhouse gas emissions.

Reporting Scope and Period

This report covers CapitaLand's international portfolio in over 20 countries from 1 January to 31 December 2014 unless otherwise indicated. The reporting period aligns with the Group's financial year. This report supplements the Group's 2014 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 employees, investors, customers, business partners, suppliers and contractors, the community and government and national agencies.

In line with CapitaLand's continued commitment to environmental sustainability, no hard copies have been printed. This report, and previous reports are 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 have been reviewed and the accuracy and reliability of its statements and figures validated. The assurance includes 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

Feedback from CapitaLand's stakeholders are welcome as they enables continuous improvement in the Group's sustainability policies, processes and performance. Please send your comments and suggestions to ask-us@capitaland.com.

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*G4-17

Introduction

Managing Sustainability

Sustainability Commitment

CapitaLand's sustainability strategy is aligned with its credo of 'Building People. Building Communities.'. CapitaLand is committed to improving the economic and social well-being of its stakeholders through the execution of development projects and management of its operations. In a rapidly changing business landscape, 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. It has in place 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 and universal design ensures that its properties are future-proof and sustainable. Policies and guidelines are put in place to ensure the efficient use of energy, water and other resources.

CapitaLand takes an integrated human capital strategy to recruit, develop and motivate employees to drive growth for the Group. Community development is also an important component of CapitaLand's commitment to sustainability. It focuses on providing support to enhance the lives of underprivileged children through corporate philanthropy and employee volunteerism.

CapitaLand is one of the first companies in Singapore to voluntarily publish its Sustainability Reports before SGX published its Sustainability Reporting Guidelines. By benchmarking against an international standard and framework with external validation, as well as top management's commitment and a set of Group-wide Sustainable Building Guidelines, CapitaLand aims to overcome some of the challenges to sustainability reporting posed by its diversified geographical presence.

For its efforts, CapitaLand is listed in the Global 100 Most Sustainable Corporations in the World, Sustainability Yearbook, Dow Jones Sustainability World Index and Asia Pacific Index, Global Real Estate Sustainability Benchmark (Regional Sector Leader for Asia/Diversified/Large Cap), FTSE4Good, MSCI Global Sustainability Indexes, STOXX® Global ESG Leaders Indices and ChannelNewsAsia Sustainability Index.

CapitaDNA (Vision, Mission, Credo and Core Values)			
Stakeholders			
People (staff)	Investors (including business partners)	Customers (tenants, shoppers, home owners, residents)	Communities (suppliers/contractors, government agencies/ NGOs, environment, community)
Respect and Integrity at all levels			
Creativity to enhance value and pursue Excellence			
Develop a high performance culture that embraces diversity and teamwork	Deliver sustainable shareholder returns	Create great customer value and experiences through high-quality products and services	Contribute positively to the economic, environmental and social development of communities

Introduction

Top Management Commitment and Staff Involvement

CapitaLand's sustainability management comes under the purview of its Sustainability Council which comprises members of CapitaLand's top management. It is supported by a Sustainability Steering Committee which oversees two work teams to ensure the Group's continued progress and improvement in the areas of environmental, social and governance performance. The Sustainability Steering Committee and work teams comprise representatives from all business units.



Introduction

Stakeholder Engagement*

Stakeholder	Issues/Interest	Selected examples of our response	
Customers – home buyers and residents	User-friendly layout for residents	Testbed layouts for residential and serviced residence projects at InnoHub	
	Quality of housing	Internal check list BCAT team provides guidance and independent audit checks on the quality for Singapore and overseas residential developments Achieving Building and Construction Authority (BCA) Quality Mark for Singapore residential projects	
	Ease of update on residential developments (Singapore)	Online access for home buyers to monitor progress of developments	
Customers – Tenants	Green lease	Sample shop layouts improve retailers' understanding of environmental sustainability	
	Increase their business in CapitaLand shopping malls	Organised Biz+ series events and retailer forums on topics such as service excellence and productivity with innovation to help retailers improve their business operations in shopping malls. Attract traffic to shopping malls through CapitaVoucher programme Provide in-depth shopper insights through CAPITASTAR programme	
	Family-friendly facilities	Family rooms for young children to play in; nursing rooms for mothers; prams and wheelchairs for use (where possible)	
Customers – Shoppers	WiFi connectivity	Free WiFi implemented in nine Singapore shopping malls	
	Easy access to public transport	Shuttle buses bring shoppers to train stations (Singapore)	
Investors	Return on investment	Simplified organisational structure Operational efficiency Better tracking and declaration of monetary savings and cost avoidance Identify and mitigate potential environment, social and governance (ESG) risks	
		More interaction among staff within the organisation	Quarterly staff communication sessions, communication/ feedback channels, e.g. iHub Employee volunteer programmes
		Community/ NGOs	Education
Environment	Trees conservation and community cleanup initiatives Giant Panda conservation programme in Singapore		
Supply Chain – main contractors, vendors, suppliers	Recognition for exceeding requirements in CapitaLand projects	Incentives	
	Sharing of best practices	Standard operating procedures 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	
	Investor Relations	President, Investor Relations Professionals Association (Singapore) (IRPAS)	

*G4-18, G4-24, G4-25, G4-26, G4-27

Introduction

CapitaLand has a regular review, assessment and feedback process in relation to environment, social, and governance (ESG) topics. Key to this is an annual Group-wide Risk and Control Self-Assessment exercise which entails the identification, assessment and documentation of material risks and corresponding internal controls. Such material risks include fraud and corruption risks, environmental risks, health and safety risks and human capital risks which are ESG-relevant. Other existing 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 and unions• Active participation in Singapore Workplace Safety and Health Council• Regular employee engagement survey for global workforce and regular staff survey on environmental, 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) and Real Estate Investment Trust Association of Singapore (REITAS)• 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.

Employees

CapitaLand actively engages its employees through various avenues, including regular communication sessions held by senior management for effective flow of information and alignment of business goals and objectives across all levels of workforce. In 2014, more than 9,000 employees participated in the CapitaLand Vision and Values survey which was followed up with over 30 focus groups in Singapore, China and Vietnam. The outcome was a revalidation of the CapitaDNA with an updated Vision, Mission, Credo and Core Values (Please refer to the Corporate Profile section of this report).

Customers

CapitaLand conducts regular tenant surveys at all its shopping malls and office buildings, as well as regular resident satisfaction surveys at all its serviced residences. Feedback obtained is reviewed and relevant follow-up actions are taken to improve service levels to tenants and enhance serviced residents' experience.

Customer surveys are also conducted after handovers of homes to ensure a high level of satisfaction for its products and services. Home buyers in Singapore are given access to an online portal where they can monitor the progress of their homes.

*G4-18, G4-25, G4-26, G4-27

Introduction

Supply Chain Management

CapitaLand proactively engages contractors and suppliers on areas relating to the quality of work and commitment to environment, health and safety (EHS). For more information, please refer to the Environment and Occupational Health and Safety chapters of this report. CapitaLand also adopts a strong stance against bribery and corruption. In addition to the regular feedback channels, third-party service providers and contractors can provide feedback, via a dedicated email address. For more information, please refer to the Governance chapter of this report.

Investors and Media

For stakeholder engagement pertaining to investors and media, please refer to CapitaLand Limited Annual Report 2014, pg 52-53, section on Investor and Media Relations.

*G4-18, G4-25, G4-26, G4-27

President & Group CEO's Message

Dear Stakeholders

2014 was a year of much geo-political uncertainties and market headwinds. It was also ranked Earth's warmest year since 1880 according to the National Aeronautics and Space Administration (NASA) and National Oceanic and Atmospheric Administration (NOAA) scientists. In the same year, the Singapore Stock Exchange (SGX) announced its plans to introduce the "comply or explain" listing rule for sustainability reporting in the Financial Year 2017.

As a sustainable real estate developer, we want to build a lasting company that adds value to our stakeholders across our diversified global real estate portfolio of integrated developments, shopping malls, serviced residences, offices and homes.

Despite the challenging environment, we delivered a set of resilient and healthy financial results of S\$3.9 billion of total revenue and S\$2.4 billion of earnings before interest and tax (EBIT) from our continuing operations. The total shareholders returns in 2014 was 11.9%.

We persisted in our drive for operational efficiency and achieved energy and water consumption reduction of 13.6% and 21.6% (per m²) respectively for our operational properties, and reduced our carbon emission intensity by 21%, compared to the base year 2008. This also amounted to cost avoidance in excess of S\$76 million for utilities for the Group since 2009 and helps us mitigate against global utility cost fluctuations and resource scarcity. Recently, we saw the completion of a 1000-square-metre solar panel installation, the largest in an integrated development in Singapore, at Bugis Junction.

We understand how buildings touch the lives of homeowners, shoppers, tenants, serviced residence guests, and members of the public. As such, we are committed to benefit our stakeholders from the healthy indoor air quality, operational efficiency, lush greenery, safe and accessible layout and features at our developments. To date, I am glad that three of our Singapore developments have achieved the highest accolade of Universal Design Platinum for its accessible features.

As we expand our footprint in new growth markets and existing gateway clusters, we remain 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 recognise that the long-term success of our business is closely linked with the health and prosperity of the communities we operate in. To date, we have completed 24 CapitaLand Hope Schools in China and Vietnam, with three still under construction, to provide a more conducive learning environment for the children. We organised more than 350 volunteering activities in Asia and reached out to more than 27,000 children beneficiaries in 2014. We offer our staff three days of paid Volunteer Service Leave each year, so that they can play their part in building communities beyond their roles as a real estate professional.

We continue to invest in the training and development of our people to help them achieve their highest potential. Our average training hours exceeded 60 hours per staff in 2014, well above the recommended industry standards.

Our continued localisation strategy for overseas operations ensure good understanding of local socio-political environment and cultural sensitivities. Locals account for about 85% of our staff based in Singapore and 97% of our staff based in China.

We are one of the first Singapore companies to voluntarily report on our sustainability performance before the Singapore Stock Exchange issued sustainability reporting guidelines in 2011. We are glad that this has been recognised by international and regional listings and accolades such as the Global 100 Most Sustainable Corporations, Dow Jones Sustainability World Index, Dow Jones Asia Pacific Sustainability Index, Sustainability Yearbook, FTSE4Good as well as the MSCI Global Sustainability Indices and STOXX® Global ESG Leaders Indices. More importantly, more than 95% of our staff volunteers expressed to us their pride and enjoyment working in a company with a positive and vibrant corporate culture.

President & Group CEO's Message

For our company's continued success, we want good people who are professionally competent, with good character.

This sustainability journey takes continuous effort and we urge our stakeholders to share our Group's commitment to transparency 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, CapitaLand Limited's President & Group CEO, and 250 staff volunteers raring to go at the flag-off for CapitaLand Volunteer Day 2014 at Capital Tower, Singapore

Financial Performance

CapitaLand achieved S\$3.9 billion total revenue and S\$2.4 billion earnings before interest and tax (EBIT) from its continuing operations for the year ended 31 December 2014. Total net profit after tax and minority interests (PATMI) increased 38% to reach S\$1.2 billion¹. Reflecting the strength of its underlying businesses, operating PATMI grew 40% to reach S\$705.3 million² and earnings per share (EPS) was 27.3 Singapore cents, up 39%. CapitaLand's share price outperformed the market, growing from S\$3.03 to end the year at S\$3.31. Including total paid out dividends of 8.0 Singapore cents per share, the total shareholders returns in 2014 was 11.9%.

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 2014 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 2014:

- Financial Highlights FY2014, pg 4
- 5-year Financial Summary, pg 5
- Performance Overview, pg 61-68
- Economic Value Added Statements, pg 221
- Value Added Statements, pg 222

¹ Includes PATMI from discontinued operation of S\$29.1 million.

² Includes Operating PATMI from discontinued operation of S\$16.3 million.

Governance

Ranked **7th** out of 644 companies in the **Governance and Transparency Index 2014**¹

Won for the 14th consecutive year the
“Most Transparent Company (Real Estate)”
award by the Securities Investors Association Singapore

Board diversity with **9%** female representation,
3 nationalities and
1 generation² in age diversity

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.

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:

“As a Company, 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.”

CapitaLand was also the Platinum Sponsor at the fifth Singapore Corporate Governance Week (organised by the SIAS) in November 2014 where business leaders, academics and policy makers shared corporate governance perspectives and experiences.

In 2014, 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 SIAS for the 14th consecutive year as well as the prestigious Golden Circle Award for the third 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 the 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 seventh out of 644 companies in the Governance and Transparency Index (GTI) 2014. This annual study was conducted by the NUS Business School's Centre for Governance, Institutions and Organisations (CGIO).

For detailed disclosure on the application of its corporate governance practices, please refer to the Corporate Governance Report in CapitaLand Limited Annual Report 2014, page 27-48.

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.

² Age diversity is deemed by the Singapore Board Diversity Report 2014 to be the age gap between the youngest and oldest board member. As the age gap is just under 20 years, the CapitaLand Board is classified as a single generation.

Governance

Board Diversity

Gender	 Male	 Male	 Male	 Male	 Male	 Male	 Male	 Male	 Male	 Male	 Female
Nationality	 Singaporean	 Singaporean	 Singaporean	 Singaporean	 Singaporean	 Singaporean	 Singaporean	 Singaporean	 Singaporean	 Malaysian	 Australian
Length of Service	 No specific term**	 < 5 years	 < 5 years	 < 5 years	 < 5 years	 < 5 years	 < 5 years	 < 5 years	 < 5 years	 > 9 years**	 > 9 years**
Age*	< 56	56-65	56-65	56-65	56-65	> 65	> 65	> 65	> 65	> 65	> 65

* As of 31 December 2014

** The President & Group CEO is the only director with no specific term.

** The Board has determined that two board directors continued to demonstrate strong independence in character and judgment in the manner in which they have discharged their responsibilities as Directors of the Company. Each of them has continued to express his individual viewpoints, debated issues and objectively scrutinised and challenged Management. Each of them has sought clarification and amplification as he considered necessary, including through direct access to the Group's employees and external advisors. Please refer to CapitaLand Annual Report 2014, page 29.

Strong Element of Independence

All board committees are chaired by independent non-executive directors. The Audit Committee, Executive Resource and Compensation Committee, Nominating Committee and Risk Committee comprise of only independent non executive directors. For more information, please refer to the CapitaLand Limited Annual Report 2014, page 28-29.

Enterprise Risk Management (ERM)

Risk management is an integral part of CapitaLand's business at both the strategic and operational level. A proactive approach toward risk management supports the attainment of the Group's business objective and corporate strategy of ONE CapitaLand, thereby creating and preserving value.

Based on the ERM framework established and the reviews conducted by Management, both internal and external auditors, 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 2014.

Sustainability risks identified include fraud and corruption risk, environmental risk, health and safety risk and human capital risk.

For more information regarding Risk Assessment and Management in CapitaLand, please refer to the CapitaLand Limited Annual Report 2014, page 38-39.

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 (iHub) and is accessible by all staff. The policies CapitaLand has implemented aim to help detect and prevent occupational fraud mainly in three ways.

Governance

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 ethics.

Managing Risk of Bribery and Corruption

	Staff	Supply Chain
Communication	<ul style="list-style-type: none"> • Code of Conduct Policy Suite • CapitaLand Global Principles on Ethical Business Conduct • Bribery and Corruption Prevention Policy • Annual declaration through CapitaLand Pledge to uphold CapitaLand's core values, and not to indulge in any corrupt or unethical practice • Training 	<ul style="list-style-type: none"> • Bribery and Corruption Prevention Policy • Anti-corruption clause in key contracts
Feedback Channels	<ul style="list-style-type: none"> • Whistle Blowing Reporting • Business Malpractice Incident (BMI) Reporting 	<ul style="list-style-type: none"> • BMI Reporting

Bribery and Corruption Prevention Policy

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

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

Whistle-Blowing Policy

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

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 were reported quarterly to the CapitaLand Audit Committee meetings and shared with the Risk Champions regularly. In 2014, there were nine BMI cases substantiated and appropriate actions were taken.

Governance

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 various 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 2014, more than 200 new staff from Singapore and China participated in CIP. More than 400 staff attended the CapitaDNA courses in Singapore, China, Indonesia, Malaysia and Vietnam.

Environment

Carbon emissions intensity reduced by **21%** since 2008

Cost avoidance in excess of **S\$76 million** for utilities since 2009

Increased operational efficiency (per m²) since 2008 with energy and water reduction of **13.6%** and **21.6%** respectively

Over **4,500 tonnes** of recyclable waste diverted from landfills

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

11 main contractors appointed in 2014 are ISO 14001 certified or externally audited for environmental legal compliance on-site

Asian Sector Leader in the 'Diversified' property category by Global Real Estate Sustainability Benchmark 2014

Commitment Towards Environmental Sustainability

CapitaLand's commitment to environmental sustainability is a natural extension of its credo 'Building People. Building Communities.'. 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			
CLIMATE CHANGE & ENERGY <ul style="list-style-type: none"> Global greenhouse gas (GHG) emissions at unsustainable levels Rising demand for energy, compounded by finite resources 	WATER <ul style="list-style-type: none"> Water scarcity, accessibility and security 	BIODIVERSITY <ul style="list-style-type: none"> Interdependence between ecosystems and the well-being of the community 	WASTE <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			
Environmental Management System (EMS)			
<ul style="list-style-type: none"> Legal compliance 	<ul style="list-style-type: none"> Legal compliance 	<ul style="list-style-type: none"> Legal compliance 	<ul style="list-style-type: none"> Legal compliance
<ul style="list-style-type: none"> Identification of aspect and management of impact 	<ul style="list-style-type: none"> Identification of aspect and management of impact 	<ul style="list-style-type: none"> Identification of aspect and management of impact 	<ul style="list-style-type: none"> Identification of aspect and management of impact
<ul style="list-style-type: none"> Sustainable Building Guidelines - Environmental Impact Assessment (EIA) - Building Information Modelling (BIM) 	<ul style="list-style-type: none"> Sustainable Building Guidelines - Environmental Impact Assessment (EIA) - Building Information Modelling (BIM) 	<ul style="list-style-type: none"> Sustainable Building Guidelines - Environmental Impact Assessment (EIA) 	<ul style="list-style-type: none"> Sustainable Building Guidelines - Environmental Impact Assessment (EIA) - Building Information Modelling (BIM)
Green operations – EMS SOPs	Green operations – EMS SOPs	Stakeholders consultation	Green operations – EMS SOPs
KPI <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 	KPI <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 		
ETS <ul style="list-style-type: none"> Improve performance through tracking of energy and water usage, waste generation and carbon emission 	ETS <ul style="list-style-type: none"> Improve performance through tracking of energy and water usage, waste generation and carbon emission 		ETS <ul style="list-style-type: none"> Improve performance through tracking of energy and water usage, waste generation and carbon emission
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 Sharing 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, G4-25, G4-26, G4-27

Environment

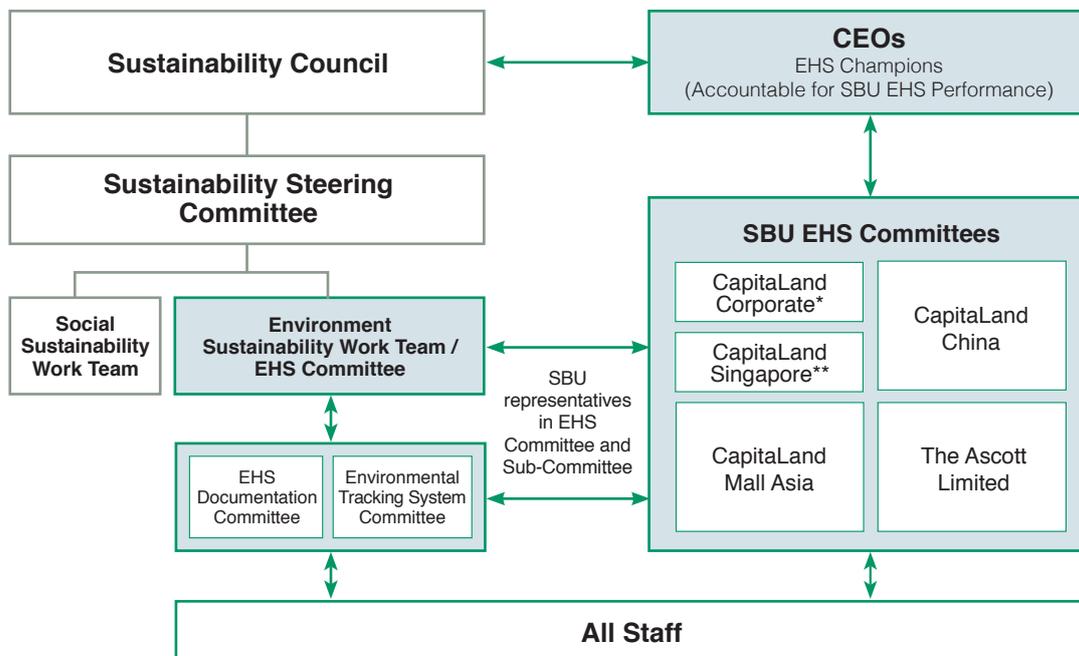
Top Management Commitment and Staff Involvement

CapitaLand's sustainability management comes under the purview of CapitaLand Sustainability Council which comprises members of CapitaLand's top management, chaired by the President & Group CEO. It is supported by the CapitaLand Sustainability Steering Committee (SSC) which oversees two work teams to ensure the Group's continued progress and improvement in the areas of environment, social and governance. The Sustainability Steering Committee and work teams comprise representatives from all business units. The CapitaLand EHS Committee doubles 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 Strategic Business Unit (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 residential portfolio

** Includes Malaysia portfolio, less CapitaLand Mall Asia (CMA) and Ascott entities

Value Proposition

Despite an expanding portfolio, the Group managed to achieve cost avoidance in excess of S\$76 million¹ from utilities savings since 2009 for its operational properties. It estimates an annual energy and water consumption reduction savings of S\$18 million for 25 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.

¹ This is based on computation of data from 126 properties in 2009, 142 in 2010, 148 in 2011, 164 in 2012, 161 in 2013 and 172 in 2014. 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.

Environment

Training

To facilitate effective implementation of CapitaLand's EHS Management System (EHSMS), training and awareness programmes are planned and conducted for all staff. New staff are inducted to the EHSMS, as well as CapitaLand's EHS 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 2014, CapitaLand staff attended more than 29,000 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 based in countries where CapitaLand operates, to minimise travelling by trainees.

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 S\$17 million has been invested in innovative features for its eight projects².

To identify outstanding environmental innovation and propagate the message, the Group organises an internal EHS Awards competition, which gave out seven EHS innovation awards in 2014. The winning innovations exhibited clear benefits to the environment, reduced operational costs, as well as influenced stakeholders to join in the environmental sustainability journey.

² This is computed from eight green rated projects under development or completed in 2014, 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 its staff including top management.

2014 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>Retained 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>11 main contractors appointed in 2014</p> <ul style="list-style-type: none"> • 10 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 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"> • 5 LEED, 8 Green Mark, 2 Green Building Evaluation Label⁴ <p><i>Total of 108 green ratings achieved for its new development projects and existing buildings – 86 Green Mark, 14 LEED, 3 Green Building Evaluation Label, 2 Green Star, 1 BREEAM, 1 CASBEE, and 1 LEED (India)</i></p> <p>Expected energy and water reduction exceeding S\$18 million (over 84,800 MWh/year and 666,000 m³/year) when projects⁵ are completed.</p> <p>6 projects designed to harvest solar energy.</p> <p>Took biodiversity into consideration at relevant sites. More than 130 trees conserved at 9 completed projects or projects under development.</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>82% of CapitaLand's existing buildings in Singapore (by m²) has at least a Green Mark Gold rating</p> <p>29% of CapitaLand's existing buildings overseas (by m²) has achieved a green rating</p> <p>Evaluated cost benefits of green rated buildings. 3 existing buildings achieved/renewed BCA Green Mark ratings, with expected energy and water reduction exceeding S\$2 million (over 1,600 MWh/year and 207,000 m³/year)</p>
Operational Efficiency	<p>13.2% energy reduction and 17.8% 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 13.6% energy reduction and 21.6% water reduction per m² (using 2008 as the base year)</p>
Stakeholder Engagement	<p>Organise environmental outreach activities to encourage a environmental mindset among staff and stakeholders</p>	<p>230 CapitaLand properties participated in WWF Earth Hour, pledging to go beyond the hour with year-long sustainable initiatives.</p> <p>9 stakeholder engagement awards were given out for encouraging pro-active and creative stakeholder encouraging initiatives.</p>

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

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

⁵ This is computed from 19 projects under construction and six projects completed in 2014, based on their submissions for BCA Green Mark and LEED green rating.

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 12,000 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 BS OHSAS 18001 standards. ISO 14001 and BS 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 Policy⁶

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 Sustainable Building 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 countries⁷ – 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 2014, CapitaLand complied 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 company⁸.

CapitaLand's EMS provides a systematic process to manage the Group's environmental impacts and to continuously improve its environmental performance. A key element is to identify and manage significant environmental aspects of its business operations that can potentially have a negative impact on the environment. The significance level of each environmental aspect and impact is assessed using a risk assessment technique based on factors comprising the likelihood of the occurrence, severity of the impact and control measures implemented.

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, energy, water and paper usage reduction targets, stakeholder engagement activities, and implementing various measures to achieve them. The targets are linked to the remuneration to staff including top management. For more details, please refer to the table "2014 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 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.

⁶ This EHS Policy was developed for the understanding and implementation by all staff in CapitaLand.

⁷ This excludes countries where CapitaLand does not have any investment projects.

⁸ 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 projects⁹. 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 Sustainable Building Guidelines

The Sustainable Building Guidelines (SBG) is an in-house guide developed since 2007 to ensure environmental considerations are factored in at all stages of a project, from feasibility, design, procurement, construction, operation to redevelopment. It covers developments and refurbishments, and joint venture developments where CapitaLand has management control and the largest stake. Originally entitled Green Buildings Guidelines, it was renamed CapitaLand Sustainable Building Guidelines in 2014 to reinforce the company's holistic approach towards sustainability.

Mitigating the Effects of Climate Change Through Design

Climate change brings about different effects in different geographies including rising sea levels, violent storms, long intense heat waves, flash floods and fresh water depletion. By adopting the SBG, 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 SBG 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.

⁹ This is for new projects or development projects with gross floor area of at least 2,000 m².

Environment

Life Cycle Management

OBJECTIVES

Minimise Carbon Footprint and Energy Consumption

- 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

Minimise Resource Depletion

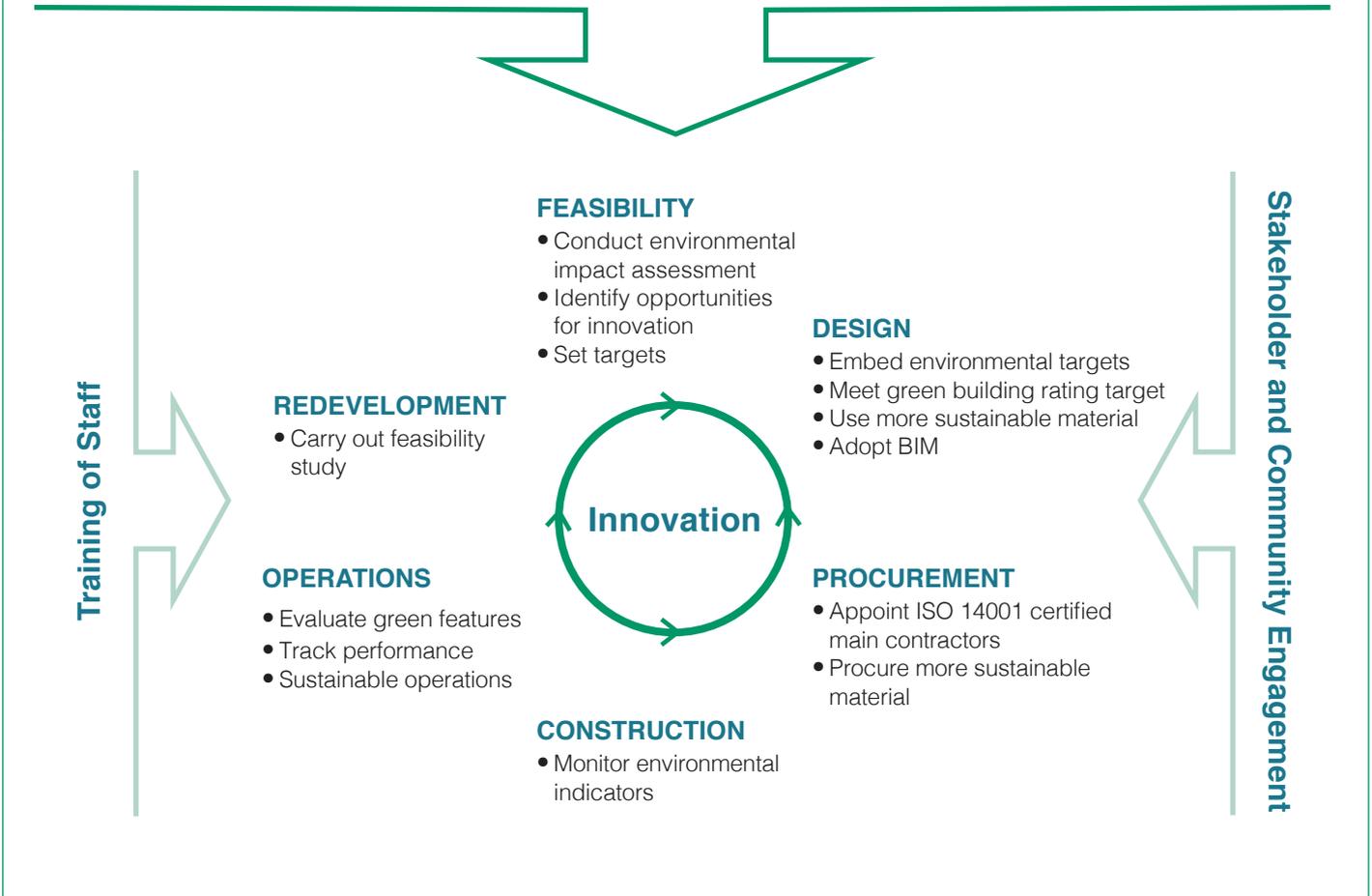
- Reuse of grey water and rainwater harvesting
- Use water-efficient fittings

Minimise Generation of Waste

- Adopt Building Information Modelling (BIM)
- Implement reduce, reuse and recycle waste hierarchy for building components and materials

Enhance Biodiversity

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

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

Biodiversity

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 130 trees are conserved at nine completed projects or projects under development. SBG encourages the use of certified wood and other more sustainable wood materials and products, such as composite wood, engineered wood and bamboo. In China, a number of CapitaLand residential projects features composite wood or engineered wood for its interior finishing.

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

Environmental Showcases

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

Creating a Habitat in the Sky

Sky Habitat's 38-storey residential development balances high density living with spaces for community bonding, lush vertical greenery, naturally ventilated units, all without compromising planning or structural efficiency.

More than 65% of the ground level is devoted to greenery and water features, while various plants and trees were planted to encourage vertical greenery along the sky bridges and skyrise greenery within private units. More than 50% of the total planting areas will be irrigated with an automated drip irrigation system, supported with a rainwater harvesting system.

Bio-ponds and bio-retention basins are incorporated into the community spaces to retain stormwater and treat runoff from the surrounding pavements, swimming pool deck and the social pavilion prior to discharging to the main drainage network. The plants grown in the water features, such as water lilies on the bio-pond and other waterlogged-tolerant plants on the bio-retention basin enhance the level of biodiversity within the estate and aim to attract wildlife like birds and butterflies.

In 2014, Sky Habitat was awarded Landscape Excellence Assessment Framework (LEAF) Certification scheme by Singapore National Parks Board and Active, Beautiful, Clean (ABC) Waters Certification from Singapore's national water agency PUB. It had earlier obtained Green Mark Gold^{PLUS} by BCA.



Environment

CapitaMall Wusheng and Somerset Wusheng Wuhan, China

Green Mark Gold
Building and Construction Authority (BCA), Singapore

CapitaMall Wusheng is part of an integrated development that comprises the Somerset Wusheng Wuhan serviced residence.

Eco-efficiency

The integrated development has an energy-efficient chiller plant, boiler and pumps. Variable speed drives are installed for the chilled water pumps to lower motor power when the equipment is running with partial loading, thus reducing electricity consumption. Energy-efficient T5 fluorescent lights are used in circulation areas such as stairwells. Motion detectors in the stairwells further reduce energy consumption by switching on the lights when required. Energy efficient LED lights are also used extensively in the serviced residence and energy efficient refrigerators fitted in the apartments.

To conserve water, water fittings in the mall are selected based on the standards stated in the Singapore PUB's Water Efficiency Labelling Scheme. The serviced apartments are also fitted with water-efficient sanitary ware and washing machines. During the construction phase, the project development team set and closely monitored targets to reduce water and energy consumption.

Sustainable Building Materials

Environmentally-friendly materials such as certified flooring, tiles and doors were used. Certified paints with low levels of volatile organic compounds (VOC) were used for all internal walls to minimise the emission of pollutants and achieve better indoor air quality.

Estimated energy savings is 7,395 MWh/year while estimated water savings is 2,600 m³/year. Overall, there is an estimated annual utility savings of S\$1.4 million.

Incremental increase in construction cost due to green features is almost S\$1.8 million and payback period is slightly over a year.



Environment

Rejuvenating a Distressed Asset

International Trade Centre Tianjin, the largest incomplete project in Tianjin in 2000, was purchased and re-started by CapitaLand China in 2010. It subsequently obtained the LEED Certified Pre-Certification in 2012, and was completed in 2014.

Sustainable Construction (Recycling, Re-using)

With its main steel structure built up to Level 25, partial fire proofing, completed basement, the building had severe surface corrosion on existing steel works after more than ten years' exposure to the weather. Instead of demolishing the building, CapitaLand went beyond LEED requirements to maximise the reuse of the existing building structural frames and minimise its embodied carbon.

Rigorous structural safety appraisal was conducted to assess the feasibility and safety of re-using the structure. CapitaLand implemented rust cleaning, strengthening works, and installation of metal dampers to mitigate impacts of earthquake. Although these additional works cost over S\$2 million, it led to a cost avoidance of about S\$18 million from demolishing the structure and re-building from scratch.

Connectivity and Green Transport

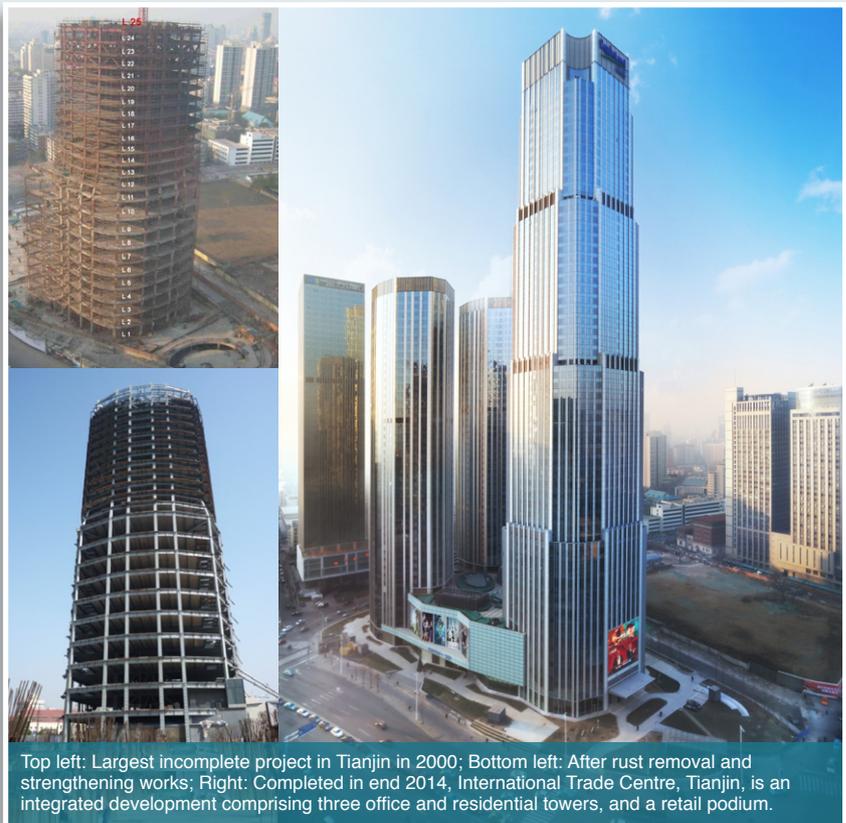
Connected to Xiaobailou Subway Station, the development also promotes green transport with provisions of about 800 secure bicycle lots (including changing and shower facilities), and 26 green vehicles preferred parking spaces.

Eco-efficiency

Sub-metering system for HVAC, lighting, plugs, and equipments are connected to an integrated energy management platform for better monitoring of the energy performance of the building. Energy-efficient T5 fluorescent lights and LED were installed within the office and basement areas. Motion sensors were also installed within staircase and corridor space to further enhance energy savings.

The building is estimated to achieve 40% potable water usage reduction¹⁰ through its water efficient fixtures, harvesting of rain water and use of municipal greywater for flushing and landscaping irrigation.

Overall, the estimated energy and water savings are 2,450 MWh/year¹¹ and 38,420 m³/year respectively. This is equivalent to annual cost savings of S\$0.5 million.



Top left: Largest incomplete project in Tianjin in 2000; Bottom left: After rust removal and strengthening works; Right: Completed in end 2014, International Trade Centre, Tianjin, is an integrated development comprising three office and residential towers, and a retail podium.

¹⁰ This is compared with the fixture performance requirements set in the US Energy Policy Act-1992.

¹¹ This 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).

Environment

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 integrated 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.

Since 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.

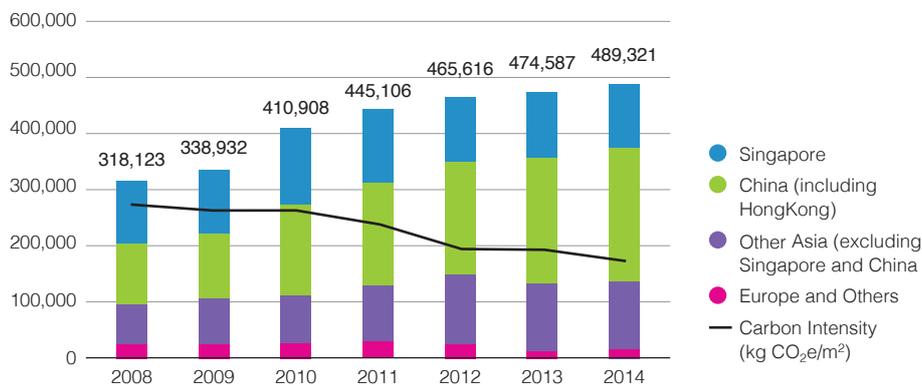
Carbon Emissions

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 buildings¹², its total carbon emissions increased to 489,321 tonnes¹³. (Direct (Scope 1) emissions, mainly from consumption of natural gas and some diesel for heating, are 23,734 tonnes and accounts for about 5% of the total carbon emissions. Indirect (Scope 2) emissions are 465,587 tonnes.)

Despite an increase in absolute carbon emissions due to an expanded property portfolio, CapitaLand's carbon emissions intensity continued to reduce to 5.6 kg CO₂e/m²/month, a 21% reduction compared to 2008 intensity levels¹⁴.

Total CO₂ Emissions
(tonnes CO₂e)



¹² The Group's portfolio of operational properties increased from 142 in 2008, 167 in 2009, 182 in 2010, 195 in 2011, 210 in 2012, 199 in 2013, and 204 in 2014.

¹³ 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 2014 edition.

¹⁴ 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 5.5 kg CO₂e/m²/month in 2020, a 23% reduction in carbon intensity by 2020 (using 2008 as base year). This assumes that the portfolio and energy consumption pattern remains unchanged from 2014 and based on 2014 carbon emission factors.

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 continued with its pilot survey on construction materials used at three projects in Singapore and six projects in China that were completed in 2014. The data collated is based on the entire construction period. Embodied carbon emissions arising from materials usage at these projects is about 870,000 tonnes¹⁵ or 700 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%

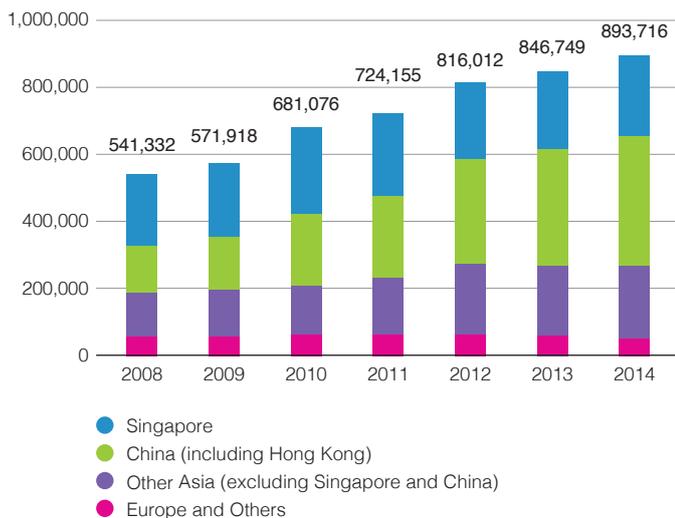
* This computes to an estimated 23% reduction in carbon intensity by 2020 (using 2008 as base year)

Energy

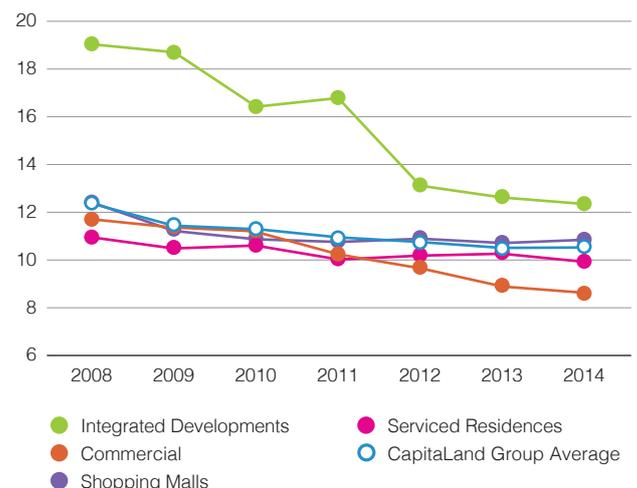
In 2014, the Group's total energy consumption was 893,716 MWh (3.22 million GJ). Indirect energy consumption from the use of electricity account for about 86% (2.77 million GJ) and direct energy consumption from gas, diesel and other fuels account for about 14% (0.44 million GJ¹⁶) of total energy consumption.

Despite an increase in total energy use due to expansion in portfolio, CapitaLand reduced its energy intensity¹⁷ measured in kWh per m² by 13.6% from base year 2008. Using a 'Business as Usual' (BAU¹⁸) approach, it is estimated that more than 282,000 MWh of energy consumption was avoided, resulting in an estimated cost avoidance of S\$73 million since 2009.

Energy Usage (MWh)



Energy Intensity (kWh/m²/month)



¹⁵ The materials are concrete, cement, sand and aggregate, steel, bricks, aluminum, glass, paint, ceramic tiles and granite. Densities and coefficients used for computation of the embodied carbon emissions of these materials are obtained from the Inventory of Carbon & Energy (ICE) Version 2.0.

¹⁶ Direct energy consumption from gas, diesel and other fuels (gasoline) are approximately 379,000 GJ, 55,800 GJ and 7,900 GJ respectively.

¹⁷ 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, 175, and 196 for the period from 2008-2014 respectively.

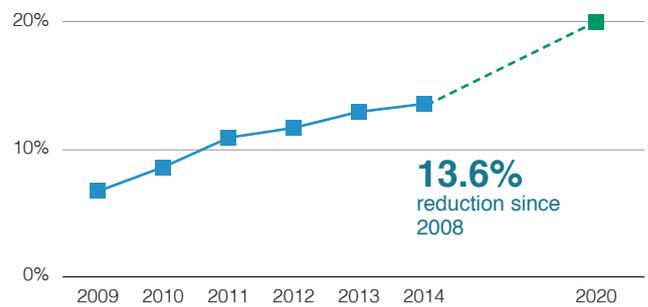
¹⁸ The assumption is that energy consumption in subsequent years will continue at 2008 levels (base year) unless energy improvement measures are adopted.

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 (light-emitting diode) Central procurement of LED 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 2012. In 2014, more than 74,000 units¹⁹ were purchased under the scheme for lighting retrofits of the Group's existing buildings and for its new developments, with estimated annual energy savings of about 11,400 MWh²⁰ when these LED lights are implemented.

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 2014, 0.5% (or 4,500 MWh) of the Group's total electricity use was from renewable energy sources, which helps to mitigate more than 3,100 tonnes of carbon emissions. 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).

Over 1,000 m² of solar panels has been installed at Bugis Junction, making this 172 kWp system the largest photovoltaic installation in a Singapore integrated development. It is able to generate almost 200 MWh worth of energy in a year (which can potentially reduce approximately 90 tonnes of carbon dioxide emissions annually).

¹⁹This includes various types of LED lighting products such as light tubes, down lights, spot lights, linear lights and lamps purchased for 48 projects and existing buildings in Singapore and China.

²⁰This is compared with its respective conventional equivalent such as fluorescent tubes or halogen lamps.

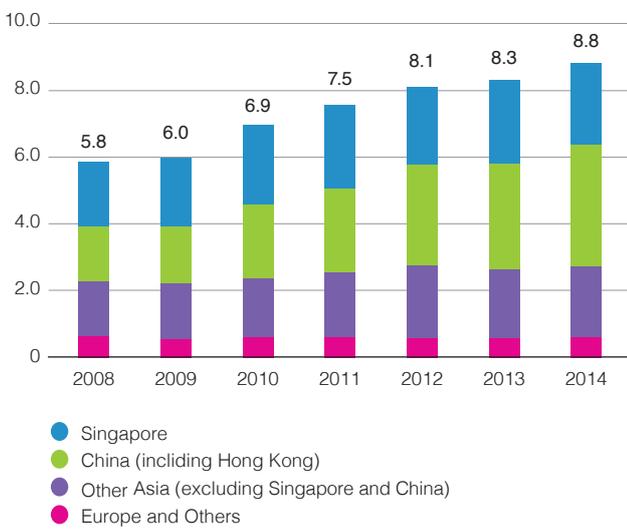
Environment

Water

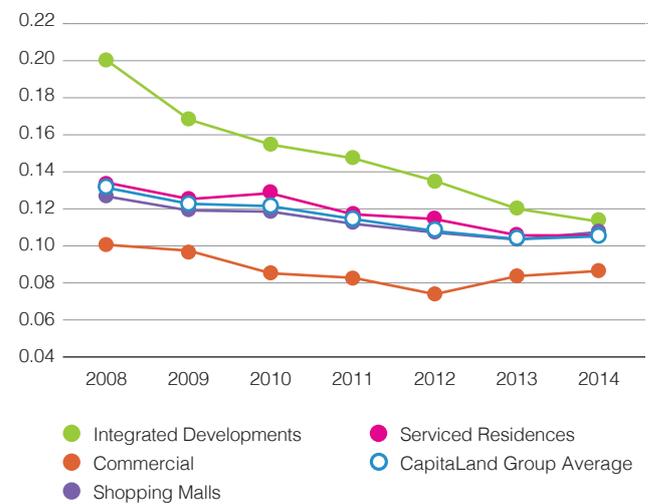
CapitaLand is committed to reduce water consumption, reuse water and prevent water pollution, especially in countries where the availability of clean water and sanitation are of concern. A regular survey was conducted to better understand water source and discharge for each property. Almost all of CapitaLand's operational properties' water consumption is derived from municipal supplies²¹.

In 2014, the Group's total water consumption was about 8.8 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 830,000 m³ of NEWater²² and collected rainwater. However, CapitaLand reduced its water intensity²³ measured in m³/m² by 21.6 % from baseline year 2008

Water Usage
(million m³)



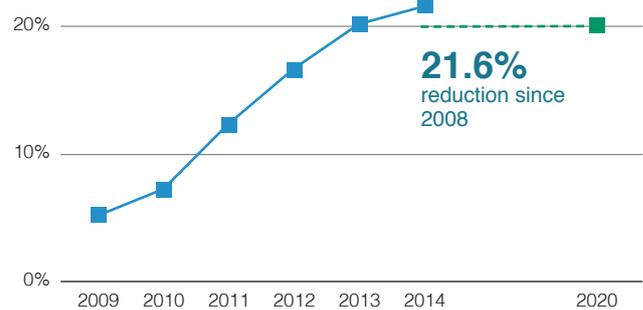
Water Intensity
(m³/m²/month)



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)



²¹ Two properties extract groundwater mainly for emergency and non-potable use. One property extracts groundwater for potable use with the appropriate treatment system in place. Meters are installed to monitor water usage.

²² 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.

²³ 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, 172, and 193 for the period from 2008-2014 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 BS 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 2014, 31 CapitaLand projects under construction in Singapore, China, Malaysia and Vietnam consumed about 49,800 MWh of energy²⁴ and 0.9 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.

CapitaLand implements waste management strategies as part of its EMS. However, data in certain countries and properties are not readily available or cannot be consolidated due to local supply chain issues. In 2014, more than 4,500 tonnes of recyclable waste²⁵ was collected from 85 properties in 15 countries.

E-Waste and Lightbulb Recycling to Minimise Environmental Footprint

Alongside the adoption of LED lighting technology at most of its shopping malls in Singapore to reduce its energy usage, CapitaLand shopping malls in Singapore extended their recycling activities to include light bulbs for tenants during store renovation, and during the properties' asset enhancement initiatives and regular maintenance. In 2014, over 650 kg of glass and metal were recovered for recycling from over 5,700 light bulbs and luminaire collected across 10 CapitaLand shopping malls 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>.)

Funan Digitalife Mall, a shopping mall in Singapore also started an e-waste recycling programme targeted at the general public in May 2014 and collected about 8,800 kg of e-waste by end 2014 at an average of 1,100 kg per month.

²⁴ 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 are approximately 22,100 tonnes.
²⁵ 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 for reporting purposes. In 2014, about 87,000 tonnes of non-recyclable waste was generated at 106 properties in Singapore, China, rest of Asia and Europe. These included integrated developments, shopping malls, serviced residences, and office buildings.

Environment

CapitaLand requires its main contractors to implement proper waste management procedures to minimise construction waste, properly manage and dispose the waste generated. An estimated 52,000 tonnes of construction waste was recorded for nine development projects in Singapore in 2014. 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.

CapitaLand continues to build up capacity to leverage Building Information Modelling (BIM) technology to improve the design and construction process through more integrated project coordination. CapitaLand's BIM advisory committee comprises senior management level representatives. 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 nine projects in Singapore and 11 projects in China.

Energy and Paper Conservation in CapitaLand Corporate Offices

CapitaLand corporate offices in 13 countries contributed less than 0.4% of the Group's overall energy consumption in 2014. The offices consumed 3,800 MWh of electricity, with an improvement in the energy intensity (electricity consumption per m²) of 17% 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 58% per employee compared to 2009. These savings are attributable to the conscious effort by every employee to reduce paper usage. In 2014, about 28 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.

In 2014, CapitaLand implemented the Human Resource e-Letters initiatives across various SBUs in Singapore, Malaysia, and China. The e-Letters initiative enables employees to view the Annual Increment (AI), bonus, and Restricted Cash Plan (RCP) letters online. This improves productivity and automation in the corporate offices as well as enhances the flow of information to all employees regarding HR matters, which is especially important in a multinational company where most of the staff are highly mobile. Overall, this initiative saves over 21,000 sheets of paper and envelopes annually, or approximately 0.2% of the total paper use in CapitaLand corporate offices. Extension of this initiative to more corporate offices will aid in reducing paper consumption across all CapitaLand business units.

CapitaLand actively promotes the use of environmentally-friendly paper. All letterheads and name cards have been 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	<ul style="list-style-type: none"> • Lower utility bills, healthier and better living environment
Tenants	<ul style="list-style-type: none"> • Better indoor environment resulting in increased productivity • Branding associated with a socially-responsible building
Shoppers	<ul style="list-style-type: none"> • Better indoor environment resulting in a healthier shopping experience
Investors	<ul style="list-style-type: none"> • Operational efficiency, cost avoidance

Comprehensive Global Stakeholder Engagement Initiatives

CapitaLand engages its stakeholders actively. Some of the initiatives of 2014 are shown below:

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

*G4-24, G4-25, G4-26, 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 Advisory Committee. The President & Group CEO has been serving as a BCA board member since 2013.

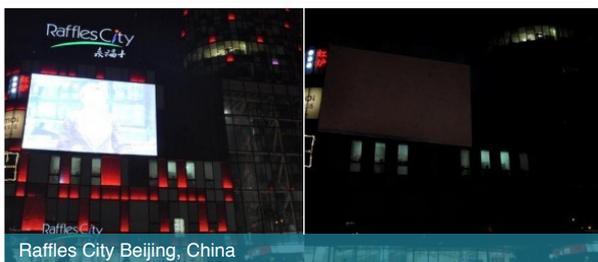
CapitaLand is a founding sponsor of the Singapore Green Building Council (SGBC). The council's work complements and supports the government's efforts to accelerate the greening of buildings by 2030. In 2014, a CapitaLand representative served as the Assistant Secretary of the Executive Committee.

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

230 CapitaLand's properties across Asia and Europe participated in the WWF Earth Hour initiative by turning off the façade and non-essential lights through the night on 29 March 2014. It was the seventh year that CapitaLand participated in the annual global sustainability movement to raise awareness on climate change and encourage individual action.

CapitaLand Earth Hour Photos: Before and After



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.

*G4-24, G4-25, G4-26, G4-27

Environment

Water Conservation – Making Every Drop Counts

Singapore experienced a dry spell in January to March 2014 resulting in Singapore desalination and NEWater plants operating at full capacity. The weather also led to heavy leaf shedding, an accumulation of leaves in some public areas and likely caused two bush fires. CapitaLand responded immediately when the nation-wide call for a heightened water conservation effort was made by Singapore’s water agency, PUB. During the dry spell period, a majority of CapitaLand Singapore properties turned off external water features and postponed non-essential cleaning such as façade and car park cleaning.



At Clarke Quay, Singapore, its outdoor water feature helps to reduce ambient heat but was turned off during the dry period with signages put up to raise public awareness, in support of the water conservation campaign.



The difficulty levels and the variety of obstacles at each station kept the participants challenged mentally and physically whilst raising awareness on environmental issues and sustainable practices in the workplace and at home. Race props were made of recycled materials or sustainably sourced.

CCT Eco Race

CapitaLand Commercial Trust (CCT) Eco Race was organised to promote environmental sustainability awareness amongst CapitaLand’s office tenants in Singapore. The 3rd CCT Eco Race, themed “Operation 326” which “326” was a code name for “eco”, was attended by over 300 participants across CCT’s office properties and staff from CapitaLand and BCA. Participants had to solve clues to locate eight game stations and complete all the obstacles in the shortest amount of time. Through the race, participants learnt about sustainable practices at the workplace and at home. (For more details, please refer to Inside Different Geographies “Joining Forces For a Greener World”, <http://inside.capitaland.com/advocate/eco-now/201411-joining-forces-for-a-greener-world>)

Eco-creativity at Somerset Greenways Chennai, India

The team at Somerset Greenways Chennai creatively recycled discarded items to create new articles. Damaged bath tubs from the apartments were painted green and reused as planters to grow a variety of fruits and vegetables at the garden. Broken furniture was up-cycled to make wooden trays and placed in the apartments. Nearly 2,500 discarded plastic bottles were collected from the apartments and were used to make a 10-foot Christmas tree, involving the staff and guests.



*G4-24, G4-25, G4-26, G4-27

People

Human Capital

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

Over **60 training hours** per employee, well above recommended industry guide of 40 hours

Employees from more than **80 different nationalities**

Women account for just over **30%** of senior 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. Building Communities.'. 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.

In 2014, CapitaLand was ranked ninth out of the top 75 companies in the annual Randstad Awards that recognise Singapore's most attractive employers. The Randstad Awards are based on the results of the largest employment survey of employer branding research in 23 countries globally. For Singapore, 6,500 people on-the-street mirroring actual working demographics were asked to evaluate 75 of the largest employers in the country, which were then ranked based on the survey results.

Fairness and Diversity

With a global workforce of more than 12,000 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

People

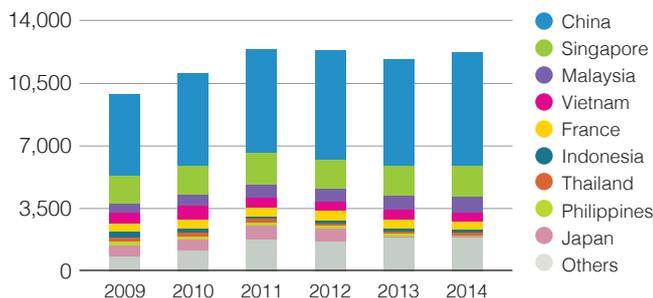
form. Singapore has to date ratified 20 ILO Conventions covering four key areas of employment standards: child labour, forced labour, collective bargaining, and equal remuneration. CapitaLand has aligned its policies with these four key areas in Singapore and overseas. This includes the signing of the 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.

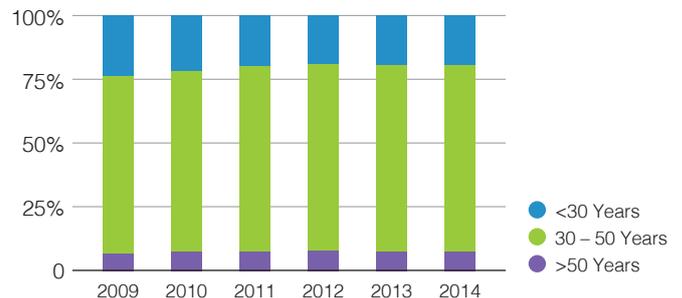
In 2014, there were no known reports of any incidence of discrimination by its employees in Singapore and overseas.

As an international company, CapitaLand embraces diversity in various aspects including different cultures, nationalities and languages. There are more than 80 nationalities working within the Group. CapitaLand believes that regardless of ethnicity, age or gender, employees can make a significant contribution based on their talent, expertise and experience.

Diversity: Global Workforce by Nationality



Diversity: Global Workforce by Age



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 2014, locals accounted for about 85% of the employees based in Singapore and 97% of employees based in China.

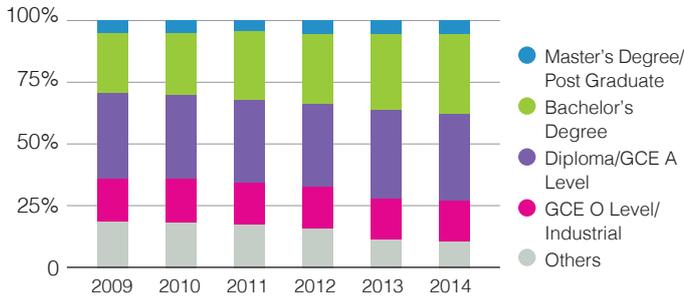
CapitaLand identifies talents internally and externally to build bench strength as well as talent pipeline for leadership succession planning. CapitaLand recruits talents through a network of local and overseas universities, and also attracts young talents early through scholarship programmes such as 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. 27% of the employees are new hires in 2014.

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. In 2014, CapitaLand had no employee below the age of 16. About 76% of new hires in 2014 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).

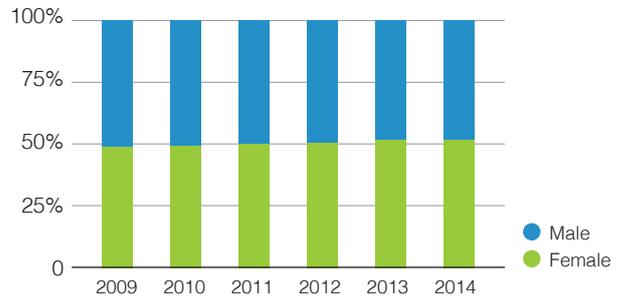
¹ The Tripartite Alliance for Fair Employment Practices (TAFEP) was formed in May 2006 to promote non-discriminatory employment practices and to shift mindset among employers, employees and the general public towards fair employment practices for all workers in Singapore. Members include employer representatives,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

People

Global Workforce by Educational Qualifications

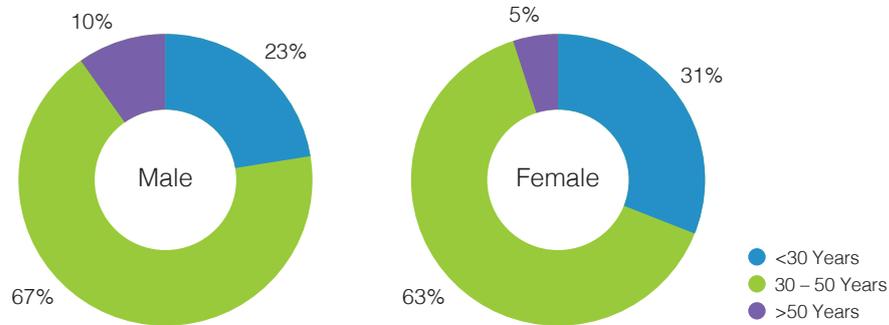


Global Workforce by Gender



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 52%:48%).

Diversity: Employee Age and Gender Profile (2014)



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 2014, a total of 108 staff was above retirement age².

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, about 50% of the managerial employees are female. In 2014, just over 30% of senior management were female with four³ of them holding C-Suite 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'

² This is based on the retirement age in the respective country.

³ Chia Chay Yeow, Chief Financial Officer, CapitaLand Township; Lynette Leong, CEO, CapitaLand Commercial Trust Management Limited; and Wong Jen Lai, Chief Investment Officer, Residential, CapitaLand Singapore Limited; and Low Peck Chen, CEO, CapitaMalls Malaysia REIT Management Sdn. Bhd.

People

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 regularly.

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.

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. Part-time employees are entitled to the same benefits on a pro-rata basis. CapitaLand advocates a pay-for performance philosophy to drive ownership of collective goals, leading to a high performance culture which creates long-term shareholder value. Its robust performance management system ensures that all employees receive regular performance and career development reviews.

In 2014, 69 eligible female employees in Singapore went on maternity leave and 62 returned to work. CapitaLand also provides paid paternity leave to all male employees in Singapore and countries where practicable. In Singapore, the Central Provident Fund (CPF) is a comprehensive social security savings plan introduced by the Singapore government to enforce savings by salaried workers to help CPF members work towards a secure retirement. Under the CPF scheme, CapitaLand and its employees make monthly contributions to the employees' CPF account in accordance with the prevailing regulations.

Apart from complying with Singapore's statutory requirements on making monthly contributions to employees' CPF accounts, the Group also adheres to the respective social security contribution or pension plan obligations of the countries that it operates in.

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.

People

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 voluntary turnover⁴ was 15%. 41% were below 30 years old, while another 56% were aged 30–50 years and the remaining 3% were over 50 years old. Turnover by gender was 47% males and 53% females. In 2014, the turnover was 14% in Singapore and 17% in China which continues to 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 the new President & Group CEO, the Group simplified its operations into four core businesses – CapitaLand Singapore, CapitaLand China, CapitaLand Malls 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.

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, about a third of the bargainable workforce and junior executives in Singapore are union members. Globally, 11.5% 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. 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 improvement⁵.

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 employees are allowed up to 10 days of examination leave per calendar year.

⁴ This does not include figures attributable to internal transfers from one entity to another entity, non-renewal of contracts, etc.

⁵ The number excludes staff in entities where CapitaLand has less than 50% stake.

People

In 2014, about 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 more than 60 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 2,100 training places in 2014 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 more than 6,000 employees in China. CLIMB China's memorandum of understanding (MOU) with Tongji University's School of Economics and Management in Shanghai allows CapitaLand's employees to benefit from the teaching faculty and training resources in real estate and business management programmes of this prestigious university. CLIMB China provided more than 1,900 training places in 2014.

Staff Engagement*

CapitaLand actively engages its employees through various avenues, including regular communication sessions held by senior management for effective flow of information and alignment of business goals and objectives across all levels of workforce.

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. In 2014, more than 9,000 employees participated in the CapitaLand Vision and Values survey which was followed up with over 30 focus groups in Singapore, China and Vietnam. The outcome was a revalidation of the CapitaDNA with an updated Vision, Mission, Credo and Core Values (Please refer to the Corporate Profile section of the Annual Report and Sustainability Report).

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.

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 iHub.

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 categories⁶ 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 2015.

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.

*G4-24, G4-25, G4-26, G4-27

⁶ 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

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 2014, around 150 employees from China, Singapore and Vietnam shared ideas at ICE Camps and related activities. Five ICE ideas that were generated by CapitaLand employees through ICEBerg and ICE Camps in 2014 were implemented.

As sustainability is integral to CapitaLand's business, it conducts an annual competition to encourage and identify outstanding EHS Innovations within the Group which contribute to the environment and its business. In 2014, seven EHS Innovation Awards were given out.

People

Occupational Health and Safety

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

Zero staff work-related fatality

11 main contractors appointed in 2014 are BS OHSAS 18001 certified or externally audited for **OHS legal compliance** on-site

Workplace Safety and Health Developer Award for residential business in Singapore

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.

People

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 CapitaLand'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 • BS 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		
<p>KPI</p> <ul style="list-style-type: none"> • OHS performance of staff • Stakeholder engagement <p>OHS</p> <ul style="list-style-type: none"> • Legal compliance • Identification of hazards and risk assessment • Sustainable Buildings Guidelines – Design for Safety (DfS) • Safe operations – OHS Standard Operating Procedures (SOPs) • Training and awareness 	<ul style="list-style-type: none"> • Appoint BS OHSAS 18001 certified main contractors or OHS legal compliance on-site • Give preference to BS OHSAS 18001 certified vendors/suppliers; in Singapore, non-BS 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

CapitaLand 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.

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.

People

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 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 BS OHSAS 18001 standards, a recognised international standard for OHS Management System.

Since 2012, the Group achieved BS 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 BS OHS Management System is aligned with BS 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 2014, there was no non conformance 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 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.

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 EHS awareness among its staff, CapitaLand conducted an EHS quiz for its staff in Singapore in 2014.

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.

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

People

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

2014 Occupational Health and Safety Targets and Performance

Targets	Performance
BS OHSAS 18001 certification for its OHS Management System in all markets with investment properties	<ul style="list-style-type: none"> Achieved BS OHSAS 18001 certification in 15 countries covering all markets with investment properties No non conformance 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 BS 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"> 11 main contractors appointed in 2014 <ul style="list-style-type: none"> - 10 are BS OHSAS 18001 certified - 1 will engage external auditor to conduct site OHS legal compliance audit 6 Workplace Safety and Health (WSH) SHARP and RoSPA awards

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 2014, there were no work-related fatalities or permanent disabilities. There were 68 work-related injuries² (10 in Singapore, 29 in China and 29 in rest of the world). 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	2014			
	Group Overall	Singapore	China	Rest of the World
No. of work-related injuries	68	10	29	29
Work-related fatalities/permanent disabilities	0	0	0	0
Injury rate (number of work-related injuries per million hours worked)	2.8	2.4	2.2	4.1
Lost day rate (number of lost man-days per million hours worked)	101.2	55.4	119.6	94.3
Absentee rate ³ (days per employee per year)	4.3	6.7	3.5	4.6

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

Staff Wellness

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

In Singapore, CapitaLand implemented a Total Well-Being Programme to promote staff health and well-being. It included an annual free on-site health screening (optional test packages were included to provide a more comprehensive coverage). Staff health screening results were benchmarked against national statistics and trended. Hypertension and high total cholesterol indicators improved and is better than the national average, whilst weight management remains an area of concern. To promote an active lifestyle, regular exercise sessions, e.g. Pilates and Zumba classes, were organised. There were also regular talks on healthy lifestyle, stress management topics.

Moving Feet, Touching Lives – An Ascott-wide Health and Fitness Programme

Ascott organised a global fitness and CSR campaign, “Moving Feet, Touching Lives”, from 1 August to 31 October 2014, that mobilised its staff worldwide to walk, jog or run and contribute their mileage clocked for charity. The campaign was officially launched on 12 August with mass runs in Singapore, China, and several Southeast Asian cities that Ascott has presence in. Nearly 500 staff across the various cities took part in the five kilometres runs across the cities.

The campaign encouraged Ascott staff and residents worldwide to adopt a more active and healthier lifestyle through a regular sports and fitness regime. Staff had a personal mileage log sheet to track their own running miles, or sporting activities. Ascott residents participated by filling in logsheets.

Philippines organised a three-on-three basketball tournament and a Zumba and Run event to meet their target of 10,000 kilometres within their cluster. China properties organized table-tennis and aerobic events, and Thailand properties organised Sepak Takraw (traditional kick volleyball game).

The campaign raised S\$30,000 having recorded more than 220,000 kilometres clocked by staff and residents. Residents contributed 12% of the mileage. For more details, please refer to Inside Different Geographies “Fit for a Good Cause”, <http://inside.capitaland.com/advocate/change-makers/201410-fit-for-a-good-cause>.



Ascott's Team Singapore gathered outside Capital Tower to launch Moving Feet, Touching Lives.



Beak He (Left), an Engineering Technician from Ascott Chengdu, decided to cycle to work instead of taking the 50-minute bus ride to work daily in support of Moving Feet, Touching Lives.

People

Stakeholder Engagement*

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

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 33 malls to raise safety awareness among its tenants and shoppers. This was well-received by the local authorities.

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. 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.

Since 2012, CapitaLand offices in Singapore 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

*G4-24, G4-25, G4-26, G4-27

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.

People

stipulate similar requirements for its overseas offices. In Singapore, about 95% of its corporate offices' and operating properties' vendors and service providers⁵ are bizSAFE Level 3 and above certified.

Main Contractors

CapitaLand requires main contractors appointed for its development projects to be BS OHSAS 18001 certified or to engage an independent accredited assessor to conduct site OHS legal compliance audits. All 11 main contractors appointed in 2014 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 Rate⁶ (AFR) and Accident Severity Rate⁷ (ASR) of its main contractors at its sites. In 2014, CapitaLand improved its AFR at its Singapore construction sites, registering 0.2 cases for every million man-hours worked compared with Singapore national average of 2.1 for the same period. The ASR improved to 2.7 man-days lost per million man-hours worked which is way lower than Singapore national average of 183 man-days lost in 2014.

Despite best efforts to ensure site safety, there was a fatality of CapitaLand's main contractor staff in China. Lessons from the fatality incident were shared across business units, and the Group's commitment to strengthen its safety standards was reinforced.

In 2014, the residential business in Singapore won the WSH Developer Award for its health and safety best practices on-site. CapitaLand strongly encourages its main contractors in Singapore to apply for the WSH SHARP⁸ awards.

Singapore Projects with Safety Awards 2014

Project	2014 Award
Integrated development at 9 and 11 Cairnhill Road/22 Bideford Road	SHARP, WSH Council, Singapore RoSPA ⁹ Gold
The Interlace	Design and Engineering Safety Excellence (Residential), Building and Construction Authority of Singapore SHARP, WSH Council, Singapore RoSPA Gold, UK
d'Leedon	SHARP, WSH Council, Singapore RoSPA Gold, UK

*G4-24, G4-25, G4-26, G4-27

⁵ This refers to term contractors/service providers where their work is on-site at CapitaLand properties or offices.

⁶ AFR is a term used in Singapore by the WSH Council, which measures how often workplace incidents occurred per million man-hours worked.

⁷ 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.

⁸ 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.

⁹ 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

d'Leedon, Singapore

d'Leedon, with its signature curvilinear architectural design, huge expanses of landscapes and wide myriad of facilities, achieved 21 million accident free man-hours during construction. It is the largest residential development in Singapore to date, and innovative construction methods were adopted to achieve the outstanding design intent. d'Leedon was also accorded the Universal Design Mark Platinum Award in 2015 for its outstanding efforts in incorporating user-friendly and universally accessible design and features.

Throughout its 52 months of construction, d'Leedon achieved zero workplace fatality, which was made possible with the active involvement of all stakeholders.



CapitaLand has put in place a comprehensive Occupational Health and Safety (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 the construction of d'Leedon, its project managers conducted frequent site meetings and visits with contractors to ensure all activities and processes were in adherence to high standards of workplace safety and health,



The working team at d'Leedon worksite pledged their commitment to adopt high standards and good practices of workplace safety and health.

which was the top priority for the entire team. Beyond d'Leedon, CapitaLand also launched an incentive scheme to reward contractors who achieve high OHS standards for its projects in Singapore. Innovative methods, such as full-stop auto refuse chute system and a refuse chute dust controller, were adopted — all of which contributed to higher productivity as well as a safer and healthier workplace.

d'Leedon was accorded the WSH Innovation Gold Award, three SHARP and three RoSPA OSH Gold Awards, in recognition of the d'Leedon worksite's good safety and health performance and WSH Management Systems.

*G4-24, G4-25, G4-26, G4-27

Community

Community Development

Contributed more than
S\$1.5 million
to benefit underprivileged
children

Supported more than **27,000**
beneficiaries
in 2014

Staff in CapitaLand properties
contributed more than
28,000 hours to
participate in over
350 volunteer activities

More than **95%** of CapitaLand
staff volunteers feel proud and
enjoy working in the company with
a positive and vibrant corporate
culture (based on post-volunteer
surveys)

Conferred **“China Best Corporate Citizen
Award 2014”** for the seventh consecutive year by the
China Committee of Corporate Citizenship and CCTV2 and
“Poverty Alleviation Ambassador” by the
China Foundation for Poverty Alleviation

CapitaLand is committed to be a good corporate citizen in the communities where it operates, in line with its credo of 'Building People. Building Communities.'. One key pillar in its sustainability approach is community development. Its social investment focuses on providing support to enhance the lives of underprivileged children through corporate philanthropy and employee volunteerism.

Community

FRAMEWORK*

Vision

Building People. Building Communities.

Each child has within him/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

- Underprivileged Children (up to 16 years old)

Areas of Focus

- Education, Healthcare and Shelter

Employee Volunteerism

- 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

Geography

- Communities where CapitaLand operates

Corporate Governance

Governing Authority

- 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

- 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

- Thorough audit of financial accounts and statements for submission to the Commissioner of Charities, Singapore

Volunteer Service Administrative System

- 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

- 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 as the long-term success of CapitaLand's business is closely intertwined with the health and prosperity of these communities
- 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

- 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)

Employee Volunteerism

- 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

- 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

- Building brand, reputation and trust among its stakeholders will help CapitaLand garner wider support, which is crucial in maintaining sustainable operations for CHF

Impact

- 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, G4-25, G4-26, G4-27

Community

CapitaLand Hope Foundation

CapitaLand Hope Foundation (CHF) was established in 2005 to further CapitaLand's community development commitment to 'Building People. Building Communities.'. CapitaLand recognises 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.

A registered charity in Singapore, CHF strongly believes in the importance of first investing in the fundamental needs of education, healthcare and shelter of underprivileged children. This will 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 to the community.

Every year, CapitaLand allocates up to 0.5% of its net profit to CHF and also provides pro bono administrative support through 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.

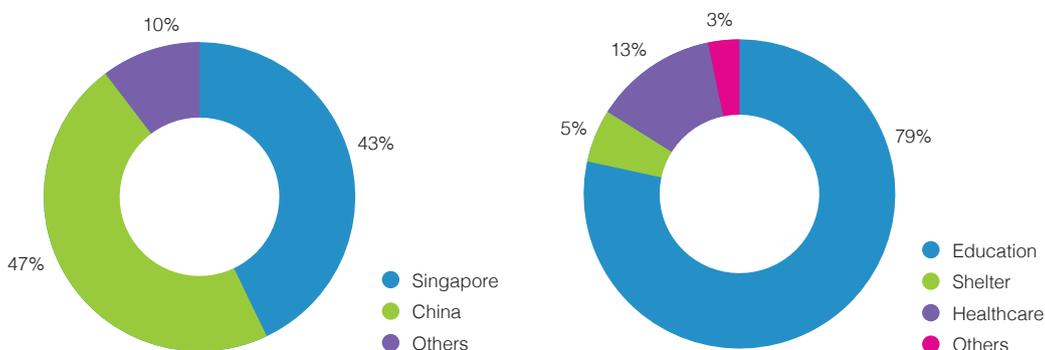
To bolster CapitaLand's community development efforts in China, CapitaLand Hope Foundation (China) (CHFC) partnered China Foundation for Poverty Alleviation to set up a RMB3.5 million (S\$735,000) special fund in 2013. It was the first comprehensive special charity fund set up by a foreign real estate 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 2014, CHF donated over S\$1.5 million to benefit underprivileged children and other community development initiatives. Since its inception in 2005, CHF has donated more than S\$23 million to support programmes for underprivileged children in countries where CapitaLand operates.

For its work in China, CapitaLand was conferred "China Best Corporate Citizen Award" for the seventh consecutive year by the China Committee of Corporate Citizenship and CCTV2, named "Poverty Alleviation Ambassador" by the China Foundation for Poverty Alleviation, and conferred the "25 Years of Project Hope Special Contribution Award" by China Youth Development Foundation. Its "Building for Tomorrow, Walk for Hope" series of fund raising and awareness programmes for underprivileged children in China was lauded as the "Best Charity Event 2014" at the fourth China Charity Festival.

CHF Donations in 2014 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 through education

Education is pivotal in breaking the poverty cycle and enable future social mobility. In its effort to achieve this objective, CapitaLand has donated to build 27 CapitaLand Hope Schools in China and Vietnam. As at 2014, 24 CapitaLand Hope Schools in China and Vietnam were completed to benefit underprivileged children with a conducive learning environment. Volunteer visits are organised for staff to visit and interact with the schoolchildren.

OUTCOME: One of the school buildings of CapitaLand Zhongxiang Hope School, located in Hubei Province of China, was deemed unsafe for use and demolished. A new school building was constructed with CHF's donation in 2014 to provide a safe and enhanced study environment for more than 500 students.



CapitaLand Zhongxiang Hope School (before and after re-building)

CapitaLand Therapy for Children Project

OBJECTIVE: To support the treatment and rehabilitation needs of underprivileged children with physical disabilities through financial assistance

Phase 1 of the project was launched in December 2012 and 60 children with physical disabilities from Beijing and surrounding areas received therapy treatment at the Beijing Rehabilitation Hospital in 2013. In Phase 2, 50 underprivileged children with physical disabilities from Chongqing, Hubei, Sichuan and Ningxia provinces subsequently received tissue regeneration surgery and therapy in Beijing Guangji Hospital in 2014, as part of the partnership with China Foundation for Poverty Alleviation and China Association of Persons with Physical Disabilities.

OUTCOME: Bao Xiaoxue (9 years old) and Bao Xiaoyu (6 years old) (Shiyan City, Hubei)

Bao Xiaoxue and Bao Xiaoyu share a common dream to sing and dance. Bao Xiaoxue and her younger sister suffered from varus toe-leg (O legs) and knee valgus (X legs) respectively due to rickets. With CHF's assistance, the sisters were among the first batch brought to Beijing Guangji Hospital to receive a double tibia and fibula osteotomy and external fixator fixation. Both recovered from the surgery through therapy and were discharged from the hospital. The two sisters subsequently realised their dreams of singing and dancing with the help of The Beijing News and CapitaLand. On 27 April 2014, they joined other children in Beijing and learnt singing, English, drawing and enjoyed magic. They also went on stage to perform at CapitaMall Crystal on 28 April 2014.



Bao Xiaoxue and Bao Xiaoyu (before and after surgery)

Community

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 end 2014, 268 CapitaKids are being 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. CapitaLand staff volunteer their time to provide mentorship and interact with their CapitaKids regularly.

China

Under the CKP @ Arts Scheme, in partnership with the top Chinese arts academies, 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.

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.

Guangdong Dance and Drama College and CapitaLand staff in Guangzhou went to CapitaLand Tiantouyong Hope School in May 2014 to audition potential students. Out of 26 students who signed up, four were shortlisted and two were enrolled into the Guangdong Dance and Drama College in Guangzhou on September 2014, funded by CHF.

OUTCOME: With mentorship and financial support, CapitaKids and their families feel more assured. Their worries of educational expenses have been alleviated, and the children are also performing better in school. In Singapore, all CapitaKids passed their final term examinations. Two CapitaKids sat for the Primary School Leaving Examination and were promoted to secondary schools.

In China, CKP @ Arts Scheme beneficiaries, Guo Pingyan and Yang Jinfu, continued to do well in their studies for academic year ending June 2014 and started their third school year in September 2014 at The Middle School Affiliated to the National Academy of Chinese Theatre Arts in Beijing. They had their maiden performance in August 2014 in Singapore for the ‘My Singapore: Moments of Love National Day Charity Fund Raising Concert’ to raise funds for President’s Challenge (PC). PC is an annual fundraising initiative by the President of the Republic of Singapore to raise awareness and invoke action to help the less fortunate in the community. Their performances were well-received by 2,500-strong audience including the President of Singapore, Dr Tony Tan Keng Yam. (For more information, please visit Inside Different Geographies, “Building For Tomorrow”, <http://inside.capitaland.com/advocate/change-makers/201409-building-for-tomorrow>.)

Qualifying CapitaLand Hope School students for CKP @ Education Bursary Scheme 2014 increased 66% to 254 CapitaKids in China. The beneficiaries wrote several appreciation letters to thank CHF for supporting them in their education:

Guo Rui, a Grade 6 student at CapitaLand Tianpingzhuang Hope School, Tianjin Province, wrote “The bursary helped me a lot. It not only relieved my family’s financial burden, but has also given me the confidence and courage in life. I will repay your kindness by doing well in my studies.”

Xu Zang, a Grade 5 student at CapitaLand Hanhuang Hope School, Jiangsu Province, wrote “My sister and brother are still schooling and my grandmother is already over 80 years old. I currently live with my sick aunt, who is a

Community

farmer with two children. The donation helped relieve my family's financial burden and I am able to concentrate on my studies."

Tan Jin Feng, a Grade 7 student who graduated from CapitaLand Lianjiao Hope School, Guangdong Province, wrote: "I would like to thank my alma mater, teachers and CapitaLand. Because of you, my life is enriched! You have helped set a good foundation for my future. I will study hard and live up to the hopes of my parents and not disappoint you and my teachers. I will strive to be a useful person to society in return of your kindness."

Kids' Food Fund

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

CapitaLand Kids' Food Fund (KFF), a food security and nutrition programme, was launched on 16 October 2010 in conjunction with the United Nations World Food Day.

In 2014, CHF continued to partner with the People's Association (PA) for KFF. Through the five Community Development Councils (CDCs), more than 1,000 children beneficiaries across Singapore received at least one healthy and balanced meal every school day through the programme.

Upon enrollment, over 40% of the 1,000 children beneficiaries were underweight. Research has shown that a person with Body Mass Index (BMI) under 18.5 has a higher risk of nutritional deficiency. There are half-yearly BMI reports in a specially-created KFF online portal to track the BMI of all students since 2014.

OUTCOME: CHF's first-year partnership with PA and the CDCs for the programme in 2014 brought about an improved BMI in 71% of the beneficiaries. Anecdotal case studies also revealed improved attendance at school, with beneficiaries being more attentive in class and better able to concentrate for longer periods of time. The partnership sought to continue the positive outcomes in building a brighter future for underprivileged children, which stems from the belief that healthy eating contributes to a child's overall health and enables better learning.

Advocating Staff Volunteerism

As the first company in Singapore to formalise a three-day Volunteer Service Leave, Volunteer No Pay Leave and Volunteer Part-Time Work Arrangement, CapitaLand actively organised over 350 volunteer activities in 2014 to encourage staff volunteerism. Over 3,000 staff in CapitaLand properties volunteered more than 28,000 hours during workdays to participate in various volunteering activities in Asia and beyond, and reached out to more than 27,000 beneficiaries. The overall staff participation rate increased to 22.8% up from 17% in 2013. With over 28,000 hours or 3,000 days of Volunteer Service Leave taken, this translated to an estimated salary cost of over S\$320,000¹.

To recognise staff's social contribution as volunteers, CHF donates S\$500 to a registered Singapore children's charity or RMB 1,000 to a 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. In 2014, 128 staff qualified for this donation incentive and a total of S\$49,500 was pledged for donation by CHF in 2015.

Over 80 staff from China, Malaysia, Philippines, Singapore, Thailand and Vietnam participated in two international volunteer staff expeditions in 2014.

¹ 2014 calculations were based on standardised 8.5 hours in a workday and included non-workday volunteer efforts.

Community

In Tacloban, Leyte, Philippines, 42 CapitaLand staff embarked on a five-day staff volunteer expedition to rebuild the Tabonaon Central School which has nearly 900 students. (For more information, please visit Inside Different Geographies, “Reaching Out in Times of Need”, <http://inside.capitaland.com/advocate/change-makers/201407-reaching-out-in-times-of-need>.)



Over at the Guangdong Province of China, more than 40 staff volunteers from China, Malaysia, Singapore and Vietnam as well as community volunteers spent five days at the CapitaLand Daping Hope School to conduct a gamut of enrichment classes for the children including music and dance, art and craft, and health and nutrition lessons as well as a day of fun and games, and home visits. They also painted wall murals and brightened up stairways for the students. (For more information, please visit Inside Different Geographies, “For a Better Tomorrow”, <http://inside.capitaland.com/advocate/change-makers/201501-for-a-better-tomorrow>.)



Staff surveys conducted after key volunteer events showed that more than 95% of the respondents feel proud to work for the company after volunteering, and they enjoy working in the company as it has a positive and vibrant corporate culture.

Community

CapitaLand Volunteer Day

OBJECTIVE: To further promote volunteerism among staff across the Group

Singapore

250 CapitaLand staff, including senior management, revamped two children's homes, Melrose Home (Children's Aid Society) and PERTAPIS Children's Home, in addition to the identified beneficiaries from 16 residential units under voluntary welfare organisations (VWOs), benefitting 150 underprivileged children. Together, CapitaLand staff volunteers created a conducive learning environment for the beneficiaries. Refurbishment works such as painting, cleaning, replacing of light fixtures, repairing and assembling furniture were carried out. Children beneficiaries were also presented with desks, chairs, study lighting and fans.

CapitaLand also brought its Providing Educational Exposure for Kids (P.E.E.K) programme out of its properties to Melrose Home and PERTAPIS Children's Home for the first time during CapitaLand Volunteer Day (CVD). P.E.E.K is a fun-filled discovery trail at CapitaLand properties aimed at educating children on eco-friendly tips.

OUTCOME: Barbara* and her mother Kelly* said: "We feel very happy to be a beneficiary of CVD and really appreciate CapitaLand helping my family. It is nice for the living room, kitchen and toilet to have a new coat of paint too. From the feedback from the school and centre tutor, Barbara can focus better for her lower primary school syllabus. I am really thankful and hope that more families, especially their children, can receive such help in the future."

At P.E.E.K trails at the children's homes, the children beneficiaries learnt about the '3Rs' – (reduce, reuse, recycle), good personal hygiene and good dietary habits from CapitaLand staff volunteers, and participated in teambuilding games. (For more information, please visit Inside Different Geographies, "Spreading More Love this Volunteer Day", <http://inside.capitaland.com/advocate/change-makers/201412-spreading-more-love-this-volunteer-day>.)

China

CapitaLand organised its first Volunteer Day, 'Building for Tomorrow. Walk for Hope' charity walk across five Chinese cities to celebrate its 20th year in China and to encourage its staff, stakeholders, and partners to dedicate a day to community service, and raise awareness of the physical hardships encountered by the underprivileged or physically disabled children.

More than 3,000 participants comprising local government officials, CapitaLand's senior management and staff, and community volunteers comprising of members of the public, business associates and celebrities, endured 'hardship challenges' in the two-hour, 10-kilometre charity walk. Participants carried weights, wore blindfolds, kept silent and balanced on one foot during the charity walk to experience and better empathise the daily challenges faced by underprivileged children who walk several kilometres to school every day carrying heavy schoolbags or are physically impaired. Participants were also encouraged to load their backpacks with food, necessities and educational materials which were collected at the end of the walk and donated to students of CapitaLand Hope Schools in China. CHF donated RMB200 (about S\$40) for every participant who completed the walk. About S\$100,000 was raised for the education, healthcare and shelter needs of underprivileged children in China. For more information, please visit Inside Different Geographies "Take a Walk in Another's Shoes", <http://inside.capitaland.com/advocate/change-makers/201408-take-a-walk-in-another-s-shoes>.

OUTCOME: A CapitaLand staff volunteer who joined the charity walk in Chengdu said: "Carrying the heavy weight through the walk was tough. I developed blisters on my feet after that. But to personally feel what this underprivileged group of people experience daily is very impactful. It has made me appreciate their plight at a deeper level.

**Names have been changed.*

Community

“We often talk about helping others, but we may not always understand how they actually feel. Through this walk, I got to experience how hard it was to be physically impaired. It made it all the more meaningful,” said Huo Zun, a Chinese celebrity.



Community

Social Integration

Almost **80%** of its shopping malls and office buildings and integrated developments have **community spaces**

Close to **95%** of CapitaLand properties are located in close **proximity to transport hubs**

More than **90%** of CapitaLand properties have at least one **disability access enabled facility**

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

Social Integration of CapitaLand Properties

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

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. At the BCA Awards 2014, CapitaLand was the only private developer to achieve the top accolade of Universal Design Platinum.

Community

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.

More than 60% of CapitaLand completed and operational properties worldwide 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 95% of CapitaLand properties worldwide are conveniently located in close 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 parking facilities are also provided at many of its properties. All CapitaLand integrated developments are well integrated with public transport facilities.

Almost 80% of CapitaLand's shopping malls, office buildings and integrated 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.

Community

CapitaLand shopping Malls: a Lifestyle Destination

Where people gather to shop and experience the space

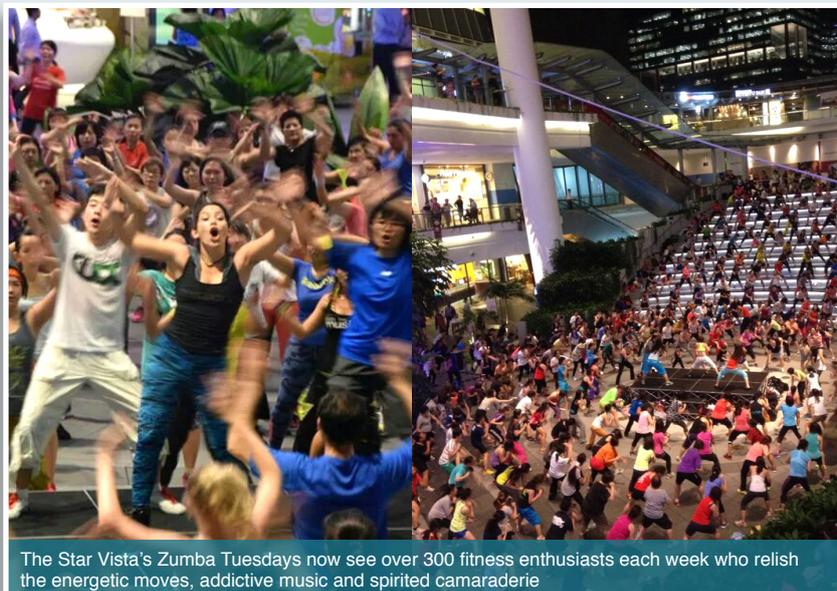
CapitaLand aims to take the lead in creating innovative community spaces at its properties. In Singapore, CapitaLand was the first company to partner the National Council of Social Services (NCSS) to offer rent-free office space to volunteer welfare organisations (VWOs) in 2005. It utilised the Urban Redevelopment Authority (URA) Community/Sports Facilities Scheme which promotes the integration of community facilities. To date, seven CapitaLand shopping malls have tapped the URA Community/Sports Facilities Scheme. They include the Junction 8 office tower with VWO tenants, Singapore Dance Theatre's dance studios and supporting facilities at Level 7 of Bugis+, the collaboration with the Singapore Sports Council to locate an Olympic-sized ice skating rink at Level 3 of JCube, and the 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.

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 and extended this to its overseas malls such as The Mines, Malaysia.



The Mines Splash Park comprises a children's playground and designated water play area with interactive feature

Its Singapore malls collaborated with the Health Promotion Board, Singapore in hosting weekly exercise classes such as kickboxing, zumba, and yoga, to encourage a healthy lifestyle in the communities.



The Star Vista's Zumba Tuesdays now see over 300 fitness enthusiasts each week who relish the energetic moves, addictive music and spirited camaraderie

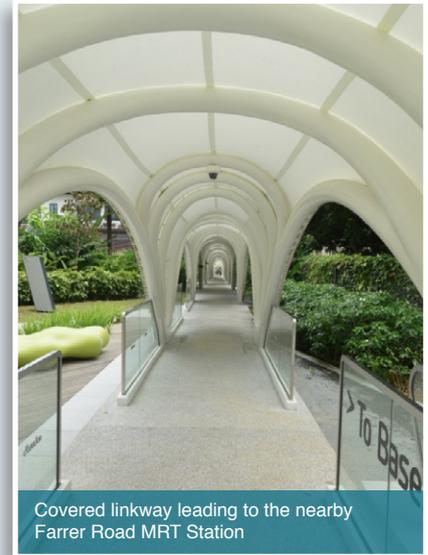
Community

d'Leedon, Singapore

A home designed for Everyone
Universal Design Mark Platinum
Building and Construction Authority (BCA), Singapore

Each tower of the d'Leedon residential development is designed like a flower with different number of “petals” to provide instant recognition on the ground level. The large site is also organised into five distinct landscape bands inspired by elements of mountainous ecosystems: Rock, Mountain, Forest, Water, Foothills and Meadow. Each landscape band features different varieties of plants, offering distinct visual and spatial experiences as one passes through from one band to the next. This also contributes to better clarity of location and ease of pedestrian circulation.

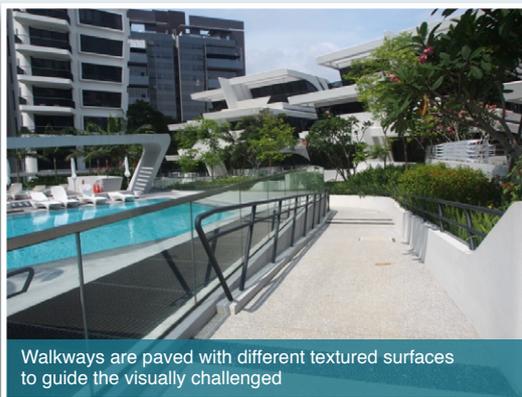
Residents of d'Leedon have a choice of two clubhouses with multiple facilities catering to individual and family needs. Each clubhouse has its own lap pool as well as leisure pools, complemented with a central gymnasium which comes with water-based equipment for users with different physical needs. Another key feature is the clustering of outdoor facilities such as the BBQ pits, resting pavilions and play areas – each cluster is well distributed throughout the site to facilitate multi-age as well as multi-generational interaction.



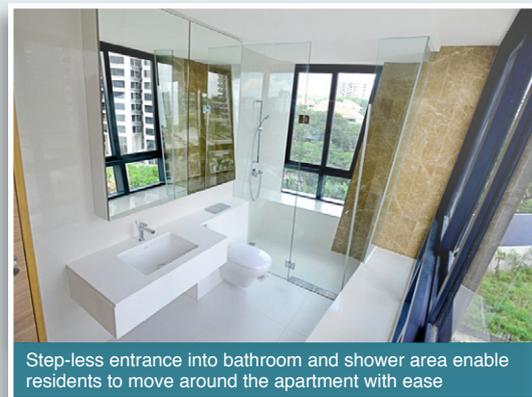
Covered linkway leading to the nearby Farrer Road MRT Station

About 18% of the units in the development facilitate ageing-in-place. These are different unit types spread over five blocks at different levels with specific features catering to different age groups, needs and lifestyle preferences. Examples are an additional eye viewer at the main door for wheelchair users and children, a wider internal passageway of 1.2 metres as well as call for help buttons in the master bedroom and all bathrooms.

The ageing-in-place units in the three premium blocks are further enhanced with step-less entrances, call for help buttons in all bedrooms as well as retractable hanging rods and adjustable shelves for all the wardrobes.



Walkways are paved with different textured surfaces to guide the visually challenged



Step-less entrance into bathroom and shower area enable residents to move around the apartment with ease

Awards & Accolades

In 2014, CapitaLand Group and its properties clinched over 100 awards and accolades. Some of the awards and accolades are listed in pg 12-15 of the CapitaLand Annual Report 2014.

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 12)
Market Presence	CL, investors	People (pg 39)
Indirect Economic Impacts	CL, community	Community (pg 54, 62)
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 39-41)
Labour/Management Relations	CL	People (pg 42)
Occupational Health and Safety	CL	People (pg 45-48)
Training and Education	CL	People (pg 38, 42)
Diversity and Equal Opportunity	CL	People (pg 38-40)
Supplier Labour Practices Assessment	CL, contractors	People (pg 46, 50-51)
Human Rights		
Non-Discrimination	CL	People (pg 38-39)
Child Labour	CL	People (pg 38-39)
Forced or Compulsory Labour	CL	People (pg 38-39)
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 38-39)
Society		
Local Communities	CL, communities	Environment (pg 18), People (pg 46), Community (pg 54, 62)
Anti-corruption	CL, investors, customers, communities	Governance (pg 13-16)
Compliance	CL	Governance (pg 15), People (pg 39)
Product Responsibility		
Customer Health and Safety	CL, tenants, contractors, suppliers, and communities	People (pg 46), Community (pg 62)
Marketing Communications	CL, customers	GRI Index (pg 72)
Customer Privacy	CL, customers, investors	GRI Index (pg 72)

GRI G4 Content Index



GRI G4 Content Index for 'In accordance' – Core

The GRI Content Index references CapitaLand Limited Sustainability Report 2014 and the Annual Report 2014 (AR).

GRI Indicator	Description	Page Reference and Remarks	External Assurance ¹
General Standard Disclosure			
Strategy and Analysis			
G4-1	Statement from senior decision-maker	President and Group CEO's Message (pg 10-11), AR (pg 6-9)	✓ (pg 74-77)
G4-2	Description of key impacts, risks, and opportunities	Governance (pg 13), Environment (pg 18), People (pg 46), Community (pg 54), AR (pg 27-54)	✓ (pg 74-77)
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 60, pg 76-93)	
G4-7	Nature of ownership and legal form	AR (pg 69)	
G4-8	Markets served	AR (pg 60, pg 76-93)	
G4-9	Scale of the organisation	Introduction (pg 1), AR (inside cover page)	
G4-10	Workforce figures	People (pg 38-40)	✓ (pg 74-77)
G4-11	Percentage of total employees covered by collective bargaining agreements	People (pg 42)	✓ (pg 74-77)
G4-12	Organisation's supply chain	Introduction (pg 5, 7), Environment (pg 21, 33), People (pg 46, 48, 50-51)	✓ (pg 74-77)
G4-13	Significant changes during the reporting period	AR (pg 10-11)	
G4-14	Report whether and how the precautionary approach or principle is addressed by the organisation	Environment (pg 18, 22-25)	✓ (pg 74-77)
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes	Introduction (pg 4), Governance (pg 13), People (pg 38-39)	✓ (pg 74-77)
G4-16	Memberships of associations and national or international advocacy organisations	Introduction (pg 7), Governance (pg 13), Environment (pg 36), People (pg 50)	✓ (pg 74-77)

¹ External assurance is only for Sustainability Report and does not cover CapitaLand Limited Annual Report 2014.

GRI G4 Content Index

GRI Indicator	Description	Page Reference and Remarks	External Assurance ¹
Identified Material Aspects and Boundaries			
G4-17	Entities included in the organisation's consolidated financial statements	Introduction (pg 4)	✓ (pg 74-77)
G4-18	Process for defining the report content and the aspect boundaries	Introduction (pg 7-9)	✓ (pg 74-77)
G4-19	Material aspects identified in the process for defining report content	Material Aspects and Boundaries (pg 67)	✓ (pg 74-77)
G4-20	Aspect boundary within the organisation	Material Aspects and Boundaries (pg 67)	✓ (pg 74-77)
G4-21	Aspect boundary outside the organisation	Material Aspects and Boundaries (pg 67)	✓ (pg 74-77)
G4-22	Effect of any restatements of information provided in previous reports	There are no restatements of information or changes from previous reports.	✓ (pg 74-77)
G4-23	Significant changes from previous reports in the scope and aspect boundaries	There are no significant changes from previous reports.	✓ (pg 74-77)
Stakeholder Engagement			
G4-24	List of stakeholder groups	Introduction (pg 7), Environment (pg 18, 35-37), People (pg 43, 50-52), Community (pg 54)	✓ (pg 74-77)
G4-25	Identification and selection of stakeholders	Introduction (pg 7-9), Environment (pg 18, 35-37), People (pg 43, 50-52), Community (pg 54), Annual Report 2014 (pg 52-54, 56-59)	✓ (pg 74-77)
G4-26	Approaches to stakeholder engagement	Introduction (pg 7-9), Environment (pg 18, 35-37), People (pg 43, 50-52), Community (pg 54), Annual Report 2014 (pg 52-54, 56-59)	✓ (pg 74-77)
G4-27	Key topics and concerns raised through stakeholder engagement	Introduction (pg 7-9), Environment (pg 18, 35-37), People (pg 43, 50-52), Community (pg 54)	✓ (pg 74-77)
G4-28	Reporting period	Introduction (pg 4)	✓ (pg 74-77)
G4-29	Date of previous report	FY 1 January to 31 December 2013	✓ (pg 74-77)
G4-30	Reporting cycle	Introduction (pg 4)	✓ (pg 74-77)
G4-31	Contact point	Introduction (pg 4)	✓ (pg 74-77)
G4-32	GRI Content Index	GRI Index (pg 68-73)	✓ (pg 74-77)
G4-33	Assurance	Independent Assurance Statement (pg 74-77)	✓ (pg 74-77)
Governance			
G4-34	Governance structure	AR (pg 16-48)	–
Ethics and Integrity			
G4-56	Organisation's values, principles, standards and norms of behaviour	Introduction (pg 1), Governance (pg 13-15), AR (inside cover, pg 43)	✓ (pg 74-77)

GRI G4 Content Index

GRI Indicator		Description	Page Reference and Remarks	External Assurance ¹
Performance Indicators				
Economic				
Economic Performance	G4-EC1	Direct economic value generated and distributed	Financial Performance (pg 12), AR (pg 2, 61-68)	
Market Presence	G4-EC6	Proportion of senior management hired from local community	About 50% in China People (pg 39)	✓ (pg 74-77)
Indirect Economic Impacts	G4-EC7	Development and impact of infrastructure investments and services supported	Introduction (pg 5), Environment (pg 26-28), Community (pg 53-65)	✓ (pg 74-77)
	G4-EC8	Extent of impacts	Introduction (pg 5), Environment (pg 26-28), Community (pg 53-65)	✓ (pg 74-77)
Environment				
Materials	G4-EN1	Materials used by weight or volume	Disclosure is not directly applicable as building materials are purchased by builders (main contractors). Weight of 10 materials was collated for computation of embodied carbon. Please see company approach on how it encourages the use of recycled and/or sustainable building materials on page 24 and 28.	✓ (pg 74-77)
Energy	G4-EN3	Energy consumption within the organisation	Environment (pg 30)	✓ (pg 74-77)
	G4-EN4	Energy consumption outside of the organisation	Environment (pg 33)	✓ (pg 74-77)
	G4-EN5	Energy intensity	Environment (pg 30-31)	✓ (pg 74-77)
	G4-EN6	Reduction of energy consumption	Environment (pg 21, 27, 28, 31)	✓ (pg 74-77)
	G4-EN7	Reductions in energy requirements of products and services	Environment (pg 21, 27, 28)	✓ (pg 74-77)
Water	G4-EN8	Total water consumption	Environment (pg 32)	✓ (pg 74-77)
	G4-EN9	Water sources significantly affected	None during the reporting period Environment (pg 22)	✓ (pg 74-77)
	G4-EN10	Water recycled and reused	Environment (pg 32, 33)	✓ (pg 74-77)
Biodiversity	G4-EN11	Protected areas or areas of high biodiversity	None during the reporting period Environment (pg 25)	✓ (pg 74-77)
	G4-EN12	Impact on biodiversity		✓ (pg 74-77)
	G4-EN14	Endangered species affected		✓ (pg 74-77)
Emissions	G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Environment (pg 29)	✓ (pg 74-77)
	G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Environment (pg 29)	✓ (pg 74-77)
	G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	Environment (pg 30, 33)	✓ (pg 74-77)
	G4-EN18	Greenhouse gas (GHG) emissions intensity	Environment (pg 29)	✓ (pg 74-77)
	G4-EN19	Reduction of greenhouse gas (GHG) emissions	Environment (pg 29,31)	✓ (pg 74-77)

GRI G4 Content Index

GRI Indicator		Description	Page Reference and Remarks	External Assurance ¹
Effluents and Waste	G4-EN22	Total water discharge by quantity and destination	Wastewater is discharged into the public sewerage system or sewage treatment plant.	✓ (pg 74-77)
	G4-EN23	Waste management	Environment (pg 33-34)	✓ (pg 74-77)
	G4-EN24	Significant spills	None during the reporting period. Environment (pg 22, 25)	✓ (pg 74-77)
	G4-EN25	Hazardous waste	Disclosure is not applicable as the Company does not transport, import, export or treat hazardous waste.	✓ (pg 74-77)
	G4-EN26	Discharge and runoffs affecting protected water bodies	None during the reporting period. Waste water is discharged into the public sewerage system or sewage treatment plant. Environment (pg 22, 25)	✓ (pg 74-77)
Products and Services	G4-EN27	Initiatives to mitigate environmental impacts of products	Environment (pg 21, 26-28, 31, 33)	✓ (pg 74-77)
Compliance	G4-EN29	Fines and non-monetary sanctions for non-compliance with environmental laws and regulations	Environment (pg 22)	✓ (pg 74-77)
Supplier Environmental Assessment	G4-EN32	% of new suppliers screened using environmental criteria	Environment (pg 21)	✓ (pg 74-77)
Social				
Labour Practices and Decent Work				
Employment	G4-LA1	Employee turnover	People (pg 42)	✓ (pg 74-77)
	G4-LA3	Return to work and retention rates after parental leave	People (pg 41)	✓ (pg 74-77)
Labour/Management Relations	G4-LA4	Notice period regarding operation changes	People (pg 42)	✓ (pg 74-77)
Occupational/ Health and Safety	G4-LA5	% of staff represented by OHS committee	People (pg 45-49)	✓ (pg 74-77)
	G4-LA6	Occupational injury	People (pg 48)	✓ (pg 74-77)
Training and/ Education	G4-LA9	Average hours of training	People (pg 42)	✓ (pg 74-77)
	G4-LA10	Skills management and lifelong learning	People (pg 42-43)	✓ (pg 74-77)
	G4-LA11	Performance and career development reviews	People (pg 41-42)	✓ (pg 74-77)
Diversity and Equal Opportunity	G4-LA12	Diversity	People (pg 38-40)	✓ (pg 74-77)
Supplier Labour Practices Assessment	G4-LA14	% of suppliers screened using labour practices criteria	People (pg 48, 50-52)	✓ (pg 74-77)
Human Rights				
Non-discrimination	G4-HR3	Incidents of discrimination and corrective action taken	People (pg 38-39)	✓ (pg 74-77)
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 38-39)	✓ (pg 74-77)
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 38-39)	✓ (pg 74-77)

GRI G4 Content Index

GRI Indicator		Description	Page Reference and Remarks	External Assurance ¹
Assessment	G4-HR9	% of operations subjected to human rights reviews	People (pg 42, 45-49)	✓ (pg 74-77)
Supplier Human Rights Assessment	G4-HR10	% of suppliers screened using human rights criteria	People (pg 48, 50-52)	✓ (pg 74-77)
Human Rights Grievances Mechanisms	G4-HR12	Number of grievances about human rights impacts	People (pg 39)	✓ (pg 74-77)
Society				
Local Communities	G4-SO1	Operations with local community engagement, impact assessments, and development programmes	Environment (pg 25), People (pg 42, 50-52), Community (pg 53-65)	✓ (pg 74-77)
Anti-corruption	G4-SO2	Risk assessment for corruption	Governance (pg 14-16)	✓ (pg 74-77)
	G4-SO4	Communication and training on anti-corruption policies and procedures	Governance (pg 14-16)	✓ (pg 74-77)
	G4-SO5	Incidents and action taken	Governance (pg 14-16)	✓ (pg 74-77)
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 15), People (pg 39)	✓ (pg 74-77)
Product Responsibility				
Customer Health and Safety	G4-PR1	Health and safety impacts assessment of products and services	People (pg 46), Community (pg 62-63)	✓ (pg 74-77)
	G4-PR2	Incidents of non-compliance	People (pg 47)	✓ (pg 74-77)
Marketing Communications	G4-PR7	Incidents of non-compliance with regulations and voluntary codes concerning marketing communications	There were no incidents in CapitalLand of non-compliance with regulations and voluntary codes concerning marketing communications, which include advertising, promotion and sponsorship during the reporting period.	✓ (pg 74-77)
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 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.

United Nations Global Compact

10 Principles of the UN Global Compact

Principles		Report Page
Human Rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights	38-39
Principle 2	Make sure that they are not complicit in human rights abuses	
Labour		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	42
Principle 4	Elimination of all forms of forced and compulsory labour	38-39
Principle 5	Effective abolition of child labour	
Principle 6	Elimination of discrimination in respect of employment and occupation	
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges	17-37
Principle 8	Undertake initiatives to promote greater environmental responsibility	
Principle 9	Encourage the development and diffusion of environmentally friendly technologies	
Anti-corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	14-16

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 2014 (the Report). The engagement took place in April and May 2015.

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 2014 to December 2014. This covers the selected information provided with reference to the GRI Standard Disclosures as shown in the Assurance column of the Report's GRI Content Index.

The assurance engagement was conducted in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000). It was also executed in line with the requirements of 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. Ere-S did not check whether all elements provided in the GRI guidance (what to report) on each indicator had been fully reported.

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 a 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:

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- Enquiring about the quantitative and qualitative aspects of the Report disclosures, including performance information, policies, procedures and underlying management systems.
 - 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, such as previous CapitaLand sustainability reports.
3. Assess the collected information and provide recommendations for immediate correction where required or for future improvement of the Report content.

Findings and observations

CapitaLand continued to have a strong sustainability framework since the previous reporting period. The framework contains policies, processes and reporting mechanisms that are applied to the majority of the Group's operations globally. Environment, Health and Safety (EHS) control processes remain stringent in the Group's global operations and its supply chain with regular internal and external audits that have been conducted to obtain EHS certifications.

Improvements have been made in the areas of the internal systems, such as the new Sustainability Management Structure supported by the top management and the Sustainability Building Guidelines applicable to all new projects. An increased number of operations have begun to track their waste performances.

Meanwhile, the comprehensiveness of the Report has room to improve. Disclosures on the Singapore and China operations continue to be predominant throughout the report. Comprehensiveness could be further enhanced by more coverage on negative performances and various other overseas operations' practices.

The content of the Report shows a satisfying level of clarity and reliability. It provides adequate information to assess the evolution of the Company's systems and performance in recent years. With a few minor exceptions, pieces of evidence and data sets presented by the data owners during the assurance interviews were detailed, well structured and easy to consult. In most cases, the data sets were generated by the Company's data systems, providing confidence in the accuracy of the information and calculation results.

In the areas of data collection, Ere-S observed occurrences of manually processed data sources. These processes appear accurate and coherent but entail risk of human error.

During the engagement, Ere-S found only a few misalignments and inconsistencies between the data sources and the reported information. Our corrective recommendations were subsequently addressed by the CapitaLand's reporting team and the final version of the Report was crosschecked by Ere-S to confirm that the required corrections were made.

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.

CapitaLand has formal engagement channels, which are in consistent with our assurance observations made during previous reporting periods. Employees and customers continue to benefit from multiple channels that allow expressing their concerns. For example, a new staff survey was followed by focus group discussions, while an innovation-related project was conducted in collaboration with government agencies during the reporting period. A meeting with the Union representatives also took place in 2014 (Singapore).

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Ere-S has also observed the Group's various engagement efforts, such as initiatives with suppliers and community partners. However, more can be done to encourage their greater participation in decision making process, especially in the Group's overseas operations.

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

Material issues are assessed through the Group level risk management system, the new Sustainability Management Structure and its sub groups: committees and work teams. Material issues are also identified by various internal mechanisms that measure, report and verify the business units' performances and impacts. For example, the key EHS issues are assessed on a regular basis, and this is ensured by CapitaLand global certification under ISO 140001 and OSHAS.

Safety, environment protection, universal design, employee well-being, customer satisfaction and anti-corruption were once again the material aspects most observed in the evidence verified during the assurance engagement.

Overall processes on assessing materiality issues are well demonstrated at the Singapore headquarters. These processes cover issues pertinent to Singapore context and the Group level issues. However, with the exception of Hazards Identification and Risk Assessments on health and safety, Ere-S did not observe ample disclosure on specific material issues that have been identified by overseas business units addressing the respective local stakeholder concerns.

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

CapitaLand's responsiveness in 2014 was most apparent in the Group's relationships with employees, customers and government and community partners.

In the areas of EHS, effective actions took place in response to on-site incidents. The actions have been based on the EHS procedures integrated at the Group level and lessons learned from these cases were documented and shared among business units.

The Report would benefit from more disclosure on notable decisions or actions that directly arise from engagement with other stakeholder groups, especially overseas.

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 2014

- 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.

Moving forward

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

Content of the CapitaLand sustainability report can be further enhanced by greater disclosure on non-EHS issues that are also material to the Group and on the issues relevant specifically to the overseas units and the global supply chain. This may include social aspects of the performances, such as labour practices and human rights concerns, especially in the countries prone to such risks.

Independent Assurance Statement

As an increased number of operations are tracking their environmental performance, such as construction waste and embodied carbon emissions, CapitaLand should reinstate and further develop internal data verification. In this regard, Ere-S commends CapitaLand's plan to implement a comprehensive data checking system that applies to both on-site and remote procedures. Through this initiative, it is expected that calculation methods are better aligned and minimise the risk of human error.

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

Singapore, 5 June 2015

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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.eres.com/assurance-code-of-conduct/>.

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