

**FOCUS
BALANCE
SCALE**
POSITIONED FOR
SUSTAINABLE GROWTH



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INTRODUCTION

Corporate Profile

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

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

The listed entities of the CapitaLand Group include Australand, CapitaMalls Asia, Ascott Residence Trust, CapitaCommercial Trust, CapitaMall Trust, CapitaMalls Malaysia Trust, CapitaRetail China Trust and Quill Capita Trust.

Mission

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

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

Core Values

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

INTRODUCTION

FY2012 Highlights

<p>Global 100 Most Sustainable Corporations by Corporate Knights</p>	<p>Listed in Sustainability Yearbook 2013 for top 15% performing ESG companies</p>	<p>Listed in Dow Jones Sustainability World Index 2012/13 for top 20% performing ESG companies</p>
<p>Won for the 12th consecutive year the “Most Transparent Company (Property)” award by the Securities Investors Association, Singapore</p>	<p>Implemented CapitaLand Global Principles on Ethical Business Conduct</p>	<p>Risk management through external ISO 14001 and OHS 18001 certification in 15 countries</p>
<p>Increased operational efficiency (per m²) since 2008 with energy and water reduction of 11.7% and 16.1% respectively</p>	<p>Cost avoidance in excess of S\$35 million for utilities since 2009</p>	<p>Over 1.7 million kilogrammes of recyclable waste collected from 47 properties</p>
<p>Zero non compliance for environment, workplace health and safety</p>	<p>52 training hours per employee, well above recommended industry guide of 40 hours</p>	<p>Employees from more than 80 different nationalities</p>
<p>Women account for about 27% of top management positions</p>	<p>More than S\$4 million donated by CapitaLand Hope Foundation</p>	<p>CapitaLand staff across Asia volunteered over 19,000 hours during workdays</p>

INTRODUCTION

About this Global Report

Covering 100% of portfolio as reported in the CapitaLand Annual Report, unless otherwise indicated

Third-party assessment of all statements and figures covering CapitaLand's global performance

This report covers CapitaLand's international portfolio in over 20 countries over the period from 1 January to 31 December 2012 unless otherwise indicated. It uses the Global Reporting Initiative (GRI) G3.1 Guidelines and is published annually. The 2012 report has been audited externally to validate the accuracy and reliability of content and is in conformance with GRI Level B+. The audit report, including findings, is summarised in the independent assurance statement. The GRI Index outlines the specific GRI reporting elements and indicators addressed in this report, which has been checked by GRI to be consistent with an Application Level of B+.

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

Feedback

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

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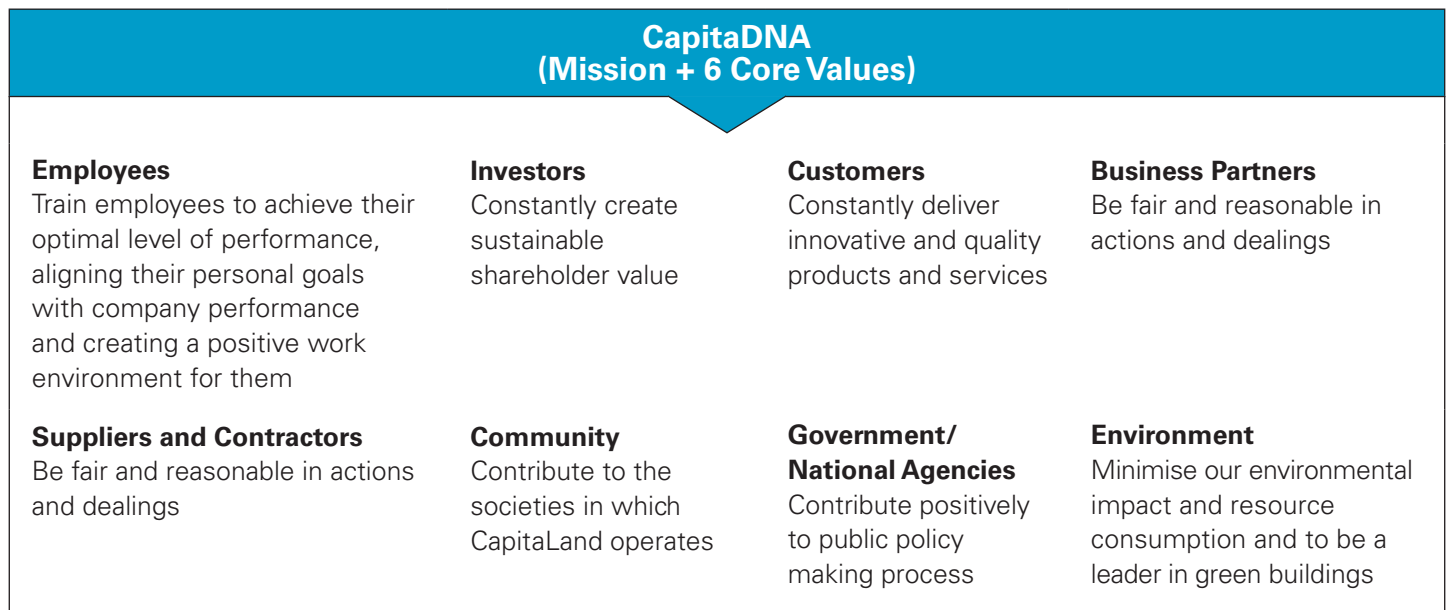
www.capitaland.com

INTRODUCTION

Sustainability Commitment

CapitaLand's sustainability strategy is founded based on its credo 'Building People'. CapitaLand is committed to improving the economic, environmental and social well-being of our stakeholders through our developments and operational approach.

Having delivered another profitable year in FY2012 with an annual net profit of S\$930 million, we believe that the sustainability of our business depends on our people, as well as our care for the community and the environment. In a rapidly changing environment, we actively embrace innovation to ensure commercial viability without compromising the environment for our future generations.



INTRODUCTION

Stakeholder Engagement

Stakeholder	Issues/Interest	Selected examples of our response
Customers	Cost of Housing	Provision of mass-market housing in China and Vietnam
	Quality of Housing	Brand and Customer Assurance Team (BCAT) to provide guidance and independent audit checks on quality in Singapore and overseas
		Achieving Building and Construction Authority (BCA) Quality Mark for Singapore residential projects
Shoppers	Shopping malls with family friendly facilities	Family rooms for young children to play
		Nursing rooms for mothers
	Easy access to public transport	Shuttle buses bring shoppers to train stations (Singapore)
Tenants	Opening of new shops/malls	InnovHub in IMM where sample shop layouts improve retailers' understanding of environmental sustainability
	Green Lease	
	Increase their business in CapitaLand shopping malls	Learn from successful companies at the Retail Global Connexion 2012 (a forum launched to showcase successful retailers, to inspire other retailers and students and spur the development of the retail industry in Singapore)
		Organised 13 Biz+ seminars, workshops and classes in areas such as customer relationship management and visual merchandising. These initiatives help retailers to increase business in shopping malls
Investors	Return on investment	Operational efficiency
		Better tracking and declaration of monetary savings and cost avoidance
		Identify and mitigate potential environmental, health and safety (EHS) risks
Employees	More interaction among staff within a large organisation	BiC (<i>Because iCare</i>) exchange
		Employee Engagement Survey
		Volunteer programmes
Community/NGOs	Education	CapitaLand Hope Schools
		Philanthropic programmes
	Environment	Planting of trees and mangroves to prevent desertification and erosion in China, India, Japan
		Giant Panda conservation programme
Supply Chain-main contractors, vendors, suppliers	Recognition for exceeding requirements in CapitaLand projects	BiC Awards for EHS for key stakeholders
	Learning of best practice	
Government/National agencies/NGOs	Environment	Member, BCA Green Mark Advisory Committee Board Member, Singapore Green Building Council
	Quality	Quality Ambassador, BCA
	Social Integration	Universal Design Ambassador, BCA
	Health and Safety	Member, Construction and Landscape Committee, Workplace Safety and Health Council

INTRODUCTION

Providing Quality Homes

– Independent Quality Assurance by CapitaLand Brand and Customer Assurance Team (BCAT)

BCAT provides quality assurance to owners of CapitaLand homes by inspecting the quality of architectural fitting-out works and giving properties a thorough check before handing keys over to new home owners. Through inspection, poor workmanship, detailing and defects are reported to the project team for improvement works to be carried out prior to handing over the units to home owners.

CapitaLand's Competency Centre on Quality serves as a platform for sharing BCAT's experiences and best practices. BCAT also provides training on quality management and control. It implemented a Quality Scoring System, providing a quantifiable score at the end of the inspections. Benchmarking inspections are conducted for mock-up units which serve as reference for the minimum quality standard for interior architectural finishing works. Inspection data and customers' complaints are analysed to detect quality trends and identify areas for improvement.

The team also looks at work-in-progress and has implemented intermediate inspection, scoring and trade demonstrations. Intermediate inspection allows BCAT to identify potential problems during construction stage, preventing such problems from reaching completion stage.

Trade demonstrations aim to establish a common understanding and acceptance level of workmanship standard for key architectural trades. It allows the contractor to demonstrate on site the actual execution of works and further improve the consistency in quality delivery and set as the benchmark for subsequent mass installation.

BCAT is an independent department based in CapitaLand's corporate office.

There is a regular review, assessment and feedback process in relation to environment, social and governance topics. Various activities were undertaken as shown below.



¹ Facilitated by an independent consultant, a materiality workshop focused on environmental, workplace health and safety, and social integration issues was organised. Key staff from various departments in business units such as the marketing, leasing, asset management, business development as well as the projects and operations management teams participated in this workshop. The workshop helped prioritise the indicators so that the Group can address the issues through a two-year work plan and fine-tuning of the key performance indicators (KPIs). More details on the work plan and KPI can be found in the Environment and Occupational Health and Safety chapters.

PRESIDENT & GROUP CEO'S MESSAGE

Dear Stakeholders

CapitaLand is committed to building a sustainable future for our stakeholders and for generations to come. At CapitaLand, sustainability is a Group-wide effort that is integral to our business. Guided by our core values and operating principles, we conduct our business, interact with stakeholders and contribute to the well-being of our employees and the community in an ethical and responsible manner.

Over the years, we set out to build a lasting company that adds value for our stakeholders across our real estate value chain of homes, shopping malls, offices, serviced residences and mixed developments. Our healthy financial position is reflected in CapitaLand achieving a net profit after tax and minority interests of S\$930.3 million and revenue of S\$3.3 billion amidst global economic uncertainties for FY2012.

To position for the future, we simplified our organisational structure in 2013 into four main business units – CapitaLand Singapore, CapitaLand China, CapitaMalls Asia (CMA) and The Ascott Limited (Ascott). This will enhance our competitiveness by providing greater clarity, sharper focus, while making us nimble enough to respond faster to opportunities that can propel us to greater achievements. The simplified structure will allow us to leverage and optimise our resources to enhance efficiency, economies of scale and shareholder returns.

Beyond robust financial performance, we aim to be vigilant in conducting our business and interacting with stakeholders in a fair and reasonable manner, maintaining the highest level of integrity at all times. This includes developing projects that are of the highest standard, maintaining aggressive financial discipline, constantly innovating, and reinforcing a culture of zero tolerance for corruption.

As a real estate developer, the well-being of the communities we build in is of paramount importance. This includes building quality developments that are accessible and environmentally sustainable. It is important that our home owners, shoppers, tenants and serviced residence guests benefit from better indoor air quality, resource efficiency, lush greenery and accessible layout and features at our developments. We continue to actively engage stakeholders and members of the public through our community engagement initiative, the Building A Greener Future Programme.

Environmental sustainability also makes good business sense. In 2012, we increased operational efficiency with energy and water consumption reduction of 11.7% and 16.1% per square metre respectively for our operational properties, and reduced our carbon emission intensity by 16%, compared to year 2008. This computed to cost avoidance in excess of S\$35 million for utilities since 2009 for the Group, helping to mitigate against global utility cost fluctuations.

As we deepen our presence in key Asian markets, we will continue to contribute positively to the communities we operate in. To meet the education, healthcare and shelter needs of underprivileged children in communities where CapitaLand operates, our philanthropic arm, CapitaLand Hope Foundation (CHF), has donated close to S\$20 million as of end 2012 since its formation in 2005. Today, we have 24 CapitaLand Hope Schools, in operation or under development, in remote areas of China and Vietnam to provide a conducive learning environment for children. In 2012, we organised more than 280 volunteering activities in Asia where our staff volunteers interacted with over 35,000 children beneficiaries supported by CHF. Our efforts saw us attaining the 2012 ASEAN Business Awards – Most Admired ASEAN Enterprise for the category of Corporate Social Responsibility (Large Company) and the Singapore Compact CSR Awards 2012 – Best Community Developer Award.

Our people are our most important asset. Building people to their highest potential boosts our competitive advantage. We have over 12,000 staff Group-wide and a diverse talent pool of more than 80 nationalities located in more than 20 countries. All CapitaLand staff function as a team and are united by our core values, guided by our 10 Corporate Principles. We train and develop our staff, equip them for the competitive business environment through programmes offered by our own CapitaLand Institute of Management and Business (CLIMB) and Innovation, Creativity, Entrepreneurship (ICE) initiatives. Our average training hours exceeding 50 hours per staff in 2012 is well above the recommended industry standards.

PRESIDENT & GROUP CEO'S MESSAGE

In the recent Randstad Award 2013, CapitaLand was ranked 7th among employer brands for our strong management, financial health, interesting job content and concern for the environment. CapitaLand was also named an 'Employer brand to watch' at the awards for our steadfast effort in enhancing the Group's employer branding.

We are committed to be a globally responsible corporate citizen and are glad that our efforts are recognised as we retained our listing on the Global 100 Most Sustainable Corporations in 2013 and was one of three Singapore companies in the Dow Jones Sustainability World Index 2012/2013.

Our 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, President & Group CEO, CapitaLand Limited (left) together with students from CapitaLand Muchuan Green Hope School, Sichuan presenting Singapore's Senior Minister of State Lee Yi Shyan with a panda scroll painting, at the farewell ceremony at Bifengxia Panda Base in Ya'an for giant pandas Kai Kai and Jia Jia as they embark on their journey to Singapore on 4 September 2012. The painting represents the well-wishes from the children of CapitaLand Hope Schools in China to the pandas

FINANCIAL PERFORMANCE

CapitaLand achieved a net profit of S\$930.3 million in 2012. 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 2012 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 2012:

- Financial Highlights FY2012, pg 3
- 5-year Financial Summary, pg 4
- Performance Overview, pg 90-101
- Economic Value Added Statements, pg 242
- Value Added Statements, pg 243

GOVERNANCE

Won for the 12th consecutive year the
“Most Transparent
Company (Property)”
award by the Securities Investors
Association, Singapore

Implemented CapitaLand
Global Principles on
Ethical Business
Conduct

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

CapitaLand observes a high standard of corporate conduct in line with the Principles of the Singapore Code of Conduct. The Code was revised by the Monetary Authority of Singapore in May 2012 and although it takes effect only for companies in respect of annual reports relating to financial years commencing from 1 July 2012, CapitaLand revised its policies and practices (including its Board Charter and Terms of Reference of its Board Committees) to adhere to the revised Code for FY2012 ending 31 December 2012. The principles of the code is as follows:

Board Matters

- Principle 1: Board’s Conduct of Affairs
- Principle 2: Board Composition and Guidance
- Principle 3: Chairman and Chief Executive Officer
- Principle 4: Board Membership
- Principle 5: Board Performance
- Principle 6: Access to Information

Remuneration Matters

- Principle 7: Procedures for Development Remuneration Policies
- Principle 8: Level and Mix of Remuneration
- Principle 9: Disclosure on Remuneration

Accountability and Audit

- Principle 10: Accountability
- Principle 11: Audit Committee
- Principle 12: Internal Controls
- Principle 13: Internal Audit

Communication with Shareholders

- Principle 14: Communication with Shareholders
- Principle 15: Greater Shareholder Participation

To demonstrate its commitment in upholding the highest standards of corporate governance, CapitaLand joined the Securities Investors Association, Singapore (SIAS) and its partners in making the following public Statement of Support, which was reiterated at the 3rd Singapore Corporate Governance Week 2012 (organised by the SIAS) in October 2012.

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

GOVERNANCE

In 2012, CapitaLand won a number of awards and accolades for its good corporate governance performance and transparency, investor relations and stakeholder communication including the Most Transparent Company (Property Category) by SIAS for the 12th consecutive year as well as the Golden Circle Award, 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, as well as their willingness to reveal information to analysts and the media.

For detailed disclosure on the application of its corporate governance practices, please refer to the CapitaLand Annual Report 2012, page 52-74.

Risk Assessment and Management

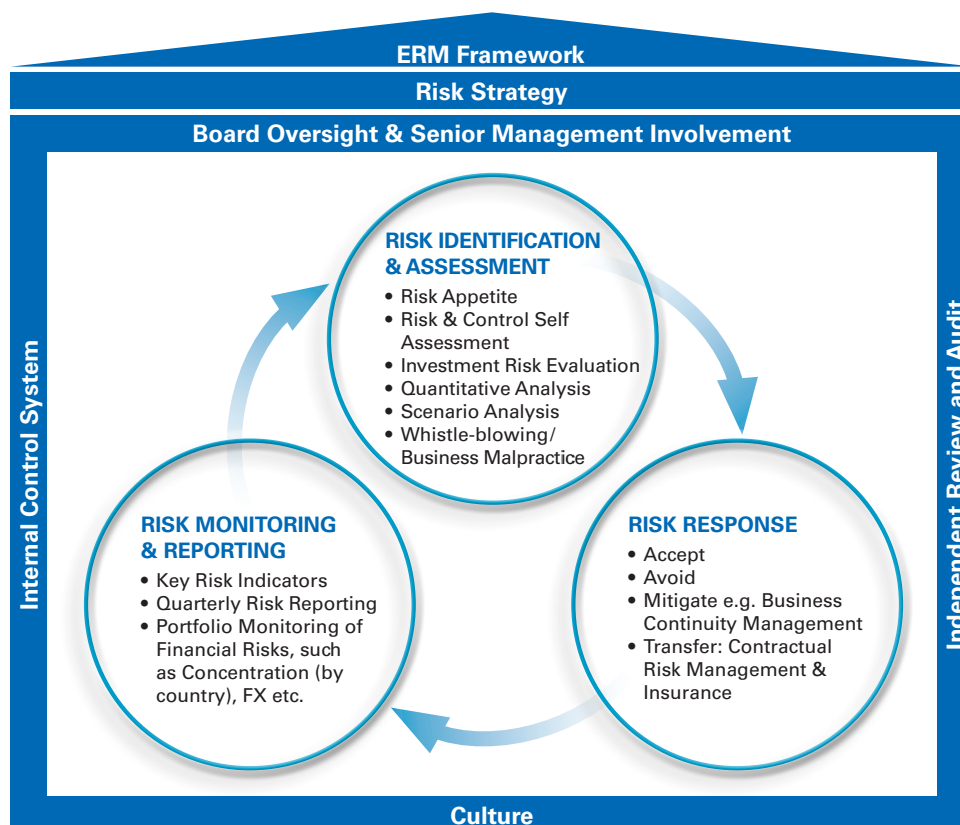
Enterprise Risk Management

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

Based on the framework established and the reviews conducted by Management and both internal and external auditors throughout the financial year, as well as the assurance from the President & Group Chief Executive Officer (CEO) and the Group Chief Financial Officer, the Board opines pursuant to Rule 1207(10) of the Listing Manual of the SGX-ST, with the concurrence of the Audit Committee, that the Group's internal controls were adequate as at 31 December 2012 to address financial, operational and compliance risks which the Group considers relevant and material to its operations.

Sustainability-related risks identified include fraud and corruption risks, environmental risks, health and safety risks and human capital risk. For more information regarding Risk Assessment and Management in CapitaLand, please refer to the CapitaLand Limited Annual Report 2012, page 62-64 and 75-77.

Enterprise Risk Management (ERM) Framework



GOVERNANCE

CapitaLand Global Principles on Ethical Business Conduct

In pursuance of the Anti-Corruption Policy, CapitaLand has set four Global Principles on Ethical Business Conduct which are implemented globally across all strategic business units.

Global Principles	Ethical Business Conduct
Marketing of Products and Services	<ul style="list-style-type: none"> • Act with integrity and professionalism • Practise fair competition • Honour contractual commitments made • Do not make inaccurate or misleading statements • Do not offer or provide kickbacks or bribes • Do not contravene applicable laws and regulations
Offering of Business Courtesies	<ul style="list-style-type: none"> • Ensure necessary and justifiable for the occasion • Ensure appropriateness to local business customs and culture • Ensure reasonable monetary value or frequency • Do not cause embarrassment or adversely affect reputation of either party • Do not contravene applicable laws and regulations
Accepting Business Courtesies	<ul style="list-style-type: none"> • Ensure appropriateness to accept • Ensure no undue influence on business dealings • Ensure no conflict of interest • Declare business courtesies received • Do not accept frequent business courtesies from the same party • Do not cause embarrassment or adversely affect reputation of either party • Do not contravene applicable laws and regulations
Managing Business Relationships	<ul style="list-style-type: none"> • Act with integrity and professionalism • Make decisions/representation only when duly authorised • Exercise discretion over frequency and place of business activities • Maintain security and confidentiality of data and information used in business interactions • Do not manipulate business relationship for personal gains and interests • Do not offer nor provide kickbacks or bribes • Do not ask for or accept kickbacks or bribes • Do not contravene applicable laws and regulations

Comprehensive Approach in Anti-Corruption Stance

CapitaLand has put in place a comprehensive system to ensure that the staff and its supply chain understand its strong anti-corruption stance. The AC (Audit Committee) confirms that no reports have been received under the Whistle Blowing Policy¹.

CapitaLand has a existing Anti-Corruption Policy. With the enactment of the UK Bribery Act 2010, CapitaLand has enhanced its existing policies and procedures and formulated new ones to ensure "Adequate Procedures" meeting the Six Principles are put in place.

CapitaLand has instituted the policy of incorporating an anti-corruption clause in the service contracts or agreements with external parties with a reporting email to report on any malpractices in the business conduct.

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.

¹ Please refer to CapitaLand Annual Report 2012, page 65.

GOVERNANCE

Established business malpractice cases are reported on a quarterly basis in the Operations Compliance Working Committee meetings and to the Audit Committee. In 2012, three business malpractice cases were substantiated and appropriate actions were taken.

The Operations Compliance Unit (OCU) coordinated a Group-wide Bribery and Corruption Risk Assessment that require all business units managements to review their own risks across their countries of business operations and put in place their own mitigating measures to manage the risks.

OCU elicits the common risks across the Group, profiles the risks and makes recommendations to improve the robustness of the Group's business process to prevent bribery and corruption.

Managing Risk of Bribery and Corruption


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

Training

CapitaLand implemented initiatives to ensure that all staff understand the Group's core values and principles that shape the way the Group works and functions. This is a compulsory module in the CapitaLand Immersion Programme (CIP) for new staff from different countries. For existing staff, there are dedicated training courses in Singapore on "CapitaDNA: Strengthening Core Values" and "CapitaDNA: Ten Corporate Principles" 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 2012, 139 new staff from seven countries underwent CIP training. 185 staff from five countries attended the CapitaDNA courses in Singapore and China. OCU also organised briefings under its Operations Compliance Programme (OCP) in Australia, China and India attended by more than 230 staff.

Annual Signing of CapitaLand Pledge

An on-going practice in CapitaLand is the signing of the CapitaLand Pledge for new staff upon joining the company. Staff also sign the pledge annually at the beginning of each year, pledging to uphold CapitaLand's core values, not to indulge in any corrupt or unethical practice and to report such malpractices. The contact email for whistle blowing reporting is clearly made available on this pledge. The copy is kept in the HR department in the respective personal files. For staff based in China, France, Indonesia, Japan, Korea, Thailand and Vietnam, a local version of the pledge is made available for their annual acknowledgement.



CAPITALAND PLEDGE

I, _____, an employee of _____, acknowledge the importance of upholding CapitaLand's core values as clearly set out below and hereby pledge to uphold these values. I shall perform my duties and responsibilities with the highest standard of integrity and pledge that I shall not indulge in any corrupt or unethical practice and shall report any such practice that comes to my attention. *

I am aware of the severe disciplinary actions that the Company will take against me for any corruption, bribery and unethical acts which I have committed or condoned during the course of my duties.

CapitaLand's Core Values

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

Signature: _____

Name: _____

NRIC No: _____

Date: _____

*Under the CapitaLand Whistle Blowing Policy, the report shall be made to the Chairman Audit Committee via email to [personal email of the Audit Committee Chairman] or in writing to the Chairman of the Audit Committee ("AC") C/O Head of Internal Audit, with my name and contact details.

ENVIRONMENT

Asian Leader in Global Real Estate Sustainability Benchmark 2012	Achieved the 2013 ET Carbon Ranking Leader Award	Carbon emissions intensity reduced by 16% since 2008
Increased operational efficiency (per m ²) since 2008 with energy and water reduction of 11.7% and 16.1% respectively	Cost avoidance in excess of S\$35 million for utilities since 2009	Identified potential savings of close to S\$1.4 million from the energy audit of 6 properties.
Potential annual savings of S\$16.5 million from utilities for 20 residential, shopping malls and office buildings when completed	Over 1.7 million kilogrammes of recyclable waste collected from 47 properties	Operational efficiency of over 230 CapitaLand properties, corporate offices and construction sites globally being tracked
Risk management through external ISO 14001 certification in 15 countries	All main contractors appointed in 2012 are ISO 14001 certified or externally audited for environmental legal compliance onsite	Zero environmental non-conformance

Commitment towards Environmental Sustainability

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

ENVIRONMENT

FRAMEWORK

Material Issues and Context

CLIMATE CHANGE & ENERGY

- Global greenhouse gas (GHG) emissions at unsustainable levels
- Rising demand for energy, compounded by finite resources

WATER

- Water scarcity, accessibility and security

BIODIVERSITY

- Interdependence between ecosystems and the well-being of the community

WASTE

- Waste generation at unsustainable rates
- Land scarcity for waste disposal
- Cost pressure from resource scarcity

Policy

- 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 encouraging recycling
- Manage biodiversity to contribute positively to the natural environment
- Engage its stakeholders to play their part

Accountability

- CEOs are Green Champions
- ISO 14001 certified Environmental Management System (EMS) ensures accountability to relevant managers and all staff
- Setting of key performance indicators (KPI), linked to remuneration for all staff; track performance via an Environmental Tracking System (ETS)

Method/Action Plan

CLIMATE CHANGE & ENERGY	WATER	BIODIVERSITY	WASTE
<p>EMS</p> <ul style="list-style-type: none"> • Legal Compliance • Identification of aspect and management of impact • Green Buildings Guidelines <ul style="list-style-type: none"> - Environmental Impact Assessment (EIA) - Building Information Modelling (BIM) • Green operations – EMS SOPs <p>KPI</p> <ul style="list-style-type: none"> • Green ratings for new buildings and major refurbishment • Green existing property portfolio • Eco-efficiency target: energy consumption reduction • Stakeholder engagement <p>ETS</p> <ul style="list-style-type: none"> • Improve performance through tracking of energy and water usage, waste generation and carbon emission 	<p>EMS</p> <ul style="list-style-type: none"> • Legal Compliance • Identification of aspect and management of impact • Green Buildings Guidelines <ul style="list-style-type: none"> - Environmental Impact Assessment (EIA) - Adopt Building Information Modelling (BIM) • Green operations – EMS SOPs <p>KPI</p> <ul style="list-style-type: none"> • Green ratings for new buildings and major refurbishment • Green existing property portfolio • Eco-efficiency target: water consumption reduction • Stakeholder engagement <p>ETS</p> <ul style="list-style-type: none"> • Improve performance through tracking of energy and water usage, waste generation and carbon emission 	<p>EMS</p> <ul style="list-style-type: none"> • Legal Compliance • Identification of aspect and management of impact • Green Buildings Guidelines <ul style="list-style-type: none"> - Environmental Impact Assessment (EIA) • Stakeholders consultation <p>Special Projects</p>	<p>EMS</p> <ul style="list-style-type: none"> • Legal Compliance • Identification of aspect and management of impact • Green Buildings Guidelines <ul style="list-style-type: none"> - Environmental Impact Assessment (EIA) - Building Information Modelling (BIM) • Green operations – EMS SOPs <p>ETS</p> <ul style="list-style-type: none"> • Improve performance through tracking of energy and water usage, waste generation and carbon emission <p>Special Projects</p>

Stakeholder Engagement

- Involve in national policy making
- Collaborate with NGOs
- Educate and encourage end users –tenants, shoppers, residents and the general community – to adopt green behavior

ENVIRONMENT

Materiality Review



CapitaLand undertook an independent sustainability materiality assessment with a broad range of internal stakeholders who are senior managers in the company. The materiality workshop reviewed key environmental, health and safety issues that are important to the business, the community and the environment; examined how these issues are linked to the core business strategy; and prioritised them for action by the company. (Please refer to page 6 for more details)

As a real estate developer, CapitaLand's environmental footprint is largely related to the resources and materials it uses to develop and operate its buildings. The key environmental issues included in the materiality review are:

- Energy usage, carbon emission, building materials, transportation
- Water usage
- Biodiversity
- Waste management

In response to the materiality review, CapitaLand is establishing and implementing a roadmap to respond to the material issues. (For the material review on health and safety, please refer to page 41 for more details.)

Roadmap

2013 	2014 	2015
<ul style="list-style-type: none"> • Continue to conduct ETS audit to increase certainty of data • Review calculation methodology in eco-efficiency to better reflect the property portfolio • Revise KPI structure • Review climate change policy • Review Green Buildings Guidelines • Collect data on cost benefits of CapitaLand green rated buildings • Review the waste data and understand waste stream 	<ul style="list-style-type: none"> • Implement methodology in eco-efficiency • Increase public disclosure on asset level 	<ul style="list-style-type: none"> • Achieve 2015 eco-efficiency KPIs • Review targets and methodology for ETS

ENVIRONMENT

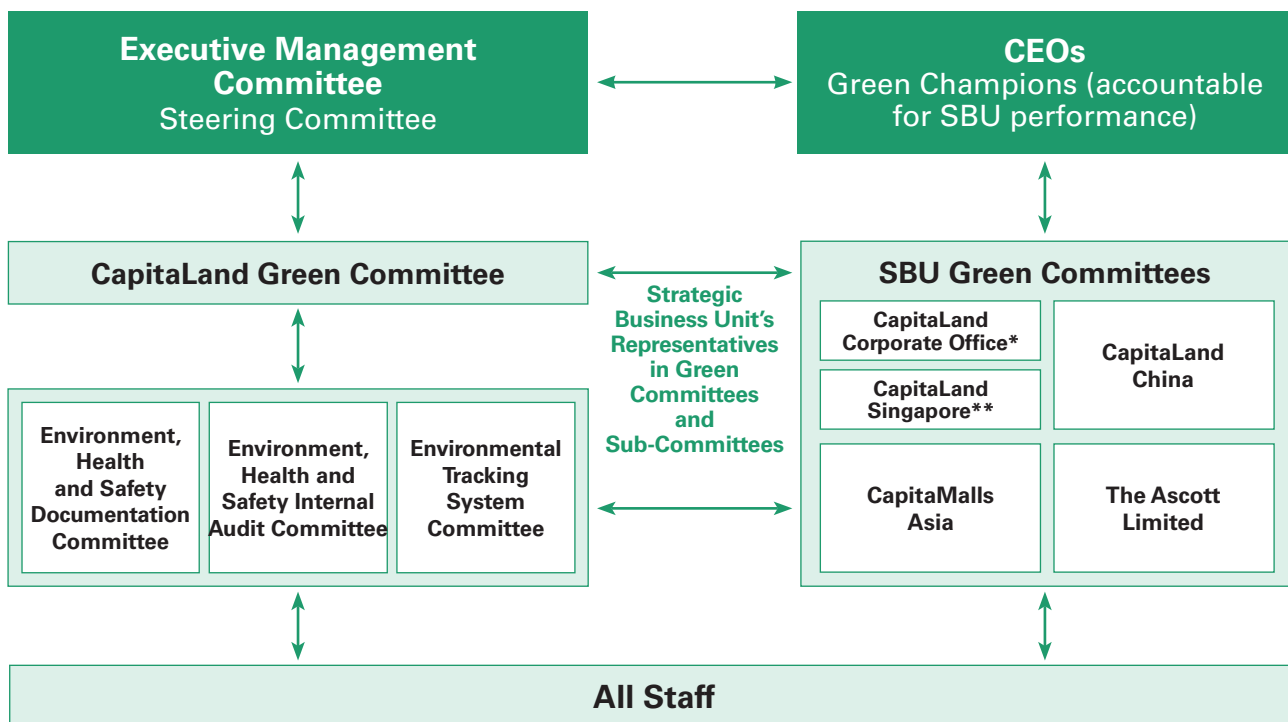
Top Management (C-Suite) Commitment and Staff Involvement

CapitaLand top management (C-suite) forms the CapitaLand Green Steering Committee, which is chaired by the President & Group CEO. CEOs from each Strategic Business Unit (SBU) are appointed SBU Green Champions and are accountable for the green performance within the business unit.

The CapitaLand Green Committee is chaired by a member of senior management and comprises senior management level representatives from all SBUs and representatives from corporate departments such as the Technical Services Unit (TSU), the CapitaLand Institute of Management and Business (CLIMB) and Human Resource (HR). Each SBU also has its own Green 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.

Structure of CapitaLand Green Committee, Sub Committees and SBU Green Committees



* Includes Vietnam, Japan, India, UK & GCC and Australand portfolio, excluding CapitaMalls Asia (CMA) and The Ascott Limited (Ascott) entities

** Includes Malaysia portfolio less CMA and Ascott entities

Value Proposition

Despite rising utilities cost, the Group managed to achieve cost avoidance in excess of S\$35 million¹ from utilities savings since 2009 for its operational properties. It also estimates an annual energy and water consumption reduction savings of S\$16.5 million for 20 residential, shopping mall and office building projects when completed.

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

¹ This is based on year-on-year computation of data from 128 properties in 2009, 142 in 2010, 148 in 2011 and 164 in 2012. Properties excluded were 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.

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Training

To facilitate effective implementation of CapitaLand's EMS, training and awareness programmes are planned and conducted for all staff by the company's officers. New staff are inducted to the EMS, including CapitaLand's environmental policy and briefed on the roles they play, while more detailed training is conducted for the implementers of CapitaLand's EMS, including all Heads of Departments in administration, operations and project development. As of end 2012, 98% of Heads of Departments in administration, operations and project development; as well as Heads of operating properties, design managers and project managers have been trained. To overcome the challenge of its extensive international portfolio, CapitaLand has a "Train the Trainer" method for its EHS Implementor Training Programme. This ensures that there are trainers in each of the countries that it operates so that travelling by trainees is minimised. Likewise, to minimise travelling, CapitaMalls Asia (CMA) has put in place an E-campus (online training platform) enabling CMA staff in over 50 cities to gain access to web-based learning.

Green Innovation

CapitaLand recognises the importance of innovation to differentiate the Group from its competitors as well as manage its footprint. To this end, the Green Innovation Award was implemented in 2011 for impactful innovation, benefitting the environment and generating business or reducing operational costs for the group. In 2012, four awards were given out. The top winners were innovations implemented globally, exhibiting benefits to the environment and reduction to operational costs, as well as influencing the stakeholders to join in the green journey.

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Measuring Our Performance

Key Performance Indicators Tied to Remuneration

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

2012 Key Performance Indicators

	Targets	Performance
Environmental Management System	<p>ISO 14001 certification for its EMS in all markets with investment properties</p> <p>Risk management of environmental aspects and impacts</p>	<ul style="list-style-type: none"> Achieved ISO 14001 certification in 15 countries covering all markets with investment properties No environmental non-conformance or occurrence of significant spills
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>	<ul style="list-style-type: none"> 12 main contractors appointed in 2012 <ul style="list-style-type: none"> - 9 are ISO 14001 certified - 3 will engage external auditor to conduct site environmental legal compliance audit 5 tenants and 7 consultants, vendors and suppliers presented with CapitaLand <i>Because iCare Awards</i> – EHS for outstanding environmental performance in CapitaLand projects
Resource Consumption Management	<p>All new development projects to meet the minimum green rating target set</p> <ul style="list-style-type: none"> Singapore – Green Mark Gold^{Plus} award Overseas – certification by a green rating system administered by a national government ministry/agency or a WGBC recognised Green Building Council; one level higher than certification for iconic projects² 	<p>Achieved</p> <ul style="list-style-type: none"> 1 Green Mark Gold^{Plus} and 5 Green Mark Platinum in Singapore 3 LEED, 1 Green Building Label³, 1 BREEAM overseas. <p><i>Total of 82 green ratings achieved - 68 Green Mark, 8 LEED, 2 Green Star, 1 BREEAM, 1 CASBEE, 1 Green Building Label and 1 LEED (India)</i></p> <ul style="list-style-type: none"> Expected energy reduction exceeding S\$16.5 million (over 85 million kWh/year) when projects⁴ are completed Took biodiversity into consideration at relevant sites
	<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>About 70% of CapitaLand's existing buildings in Singapore (by m²) has at least a Green Mark Gold rating</p> <p>Close to 20% of CapitaLand's existing buildings overseas (by m²) has achieved a green rating</p> <p>Evaluated cost benefits of green rated buildings</p>
Operational Efficiency	<p>11.1 % energy reduction and 11.1 % 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 11.7% energy reduction and 16.1 % water reduction per m² (using 2008 as the base year)</p>
Stakeholder Engagement	<p>Organise green outreach activities to encourage a green mindset among staff and stakeholders</p>	<p>Organised green outreach activities as part of CapitaLand's Building A Greener Future Programme</p> <p>Launched <i>Because iCare</i> (BiC) Awards – EHS to acknowledge the outstanding performance by stakeholders (tenants, main contractors, service providers and staff)</p>

² Iconic projects refer to Raffles City developments, Grade A offices and projects involving star architect.

³ Green Building Label administered by China's Ministry of Housing and Urban-Rural Development.

⁴ This is computed from 20 projects under construction, based on their submissions for BCA Green Mark and LEED green rating.

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Managing Our Environmental Footprint

CapitaLand's Environmental Management System (EMS) is the key tool in managing the Group's environmental footprint across its global and diverse portfolio, among 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 OHSAS 18001 standards. ISO 14001 and OHSAS 18001 are internationally recognised standards for the environmental management of businesses and occupational health and safety management of businesses respectively.

The CapitaLand Green Committee doubles up as the Group's EHS Committee and the SBU Green Committees double up as the SBUs' EHS Committees. They are responsible for driving the EHS Management System.

CapitaLand Environmental, Health and Safety (EHS) Policy⁵

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

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

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

In 2012, the Group achieved ISO 14001 certification for its EMS in 15 countries⁶ - 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 2012, CapitaLand complied fully with the environmental laws and regulations in Singapore, Australia, Belgium, China, France, Germany, India, Indonesia, Japan, Malaysia, Philippines, Spain, Thailand, Vietnam and UK. There was no environmental non-conformance or occurrence of significant spills by the company⁷.

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

CapitaLand strives to minimise impacts such as resource depletion, carbon emissions and waste generation. This is done by setting environmental targets such as green building rating targets and energy, water and paper usage reduction targets, and implementing various measures to achieve them. The targets are linked to the remuneration to all staff including the top management. For more details, please refer to the table "2012 Key Performance Indicators" on page 19.

Global Internal and External Audits

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

⁵ This EHS Policy was developed for the understanding and implementation by all staff in CapitaLand.

⁶ This excludes countries where CapitaLand does not have any investment projects.

⁷ This is effectively tracked through the quarterly EHS updates by all SBUs.

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Effective Resource Management

Green Building Rating

Green building rating targets are set at the outset of CapitaLand projects⁸. 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 by having each of them achieving minimum certification level by a green rating system administered by a national government ministry/agency or a World Green Building Council (WGBC) recognised Green Building Council.

Life Cycle Management: CapitaLand Green Buildings Guidelines

The Green Buildings Guidelines (GBG) is an in-house guide developed since 2007 to ensure environmental considerations are factored in at all stages of a project, from feasibility, design, procurement, construction, operation to redevelopment. It covers developments and refurbishments, and joint venture developments where CapitaLand has management control and the largest stake.

Mitigating the Effects of Climate Change Through Design

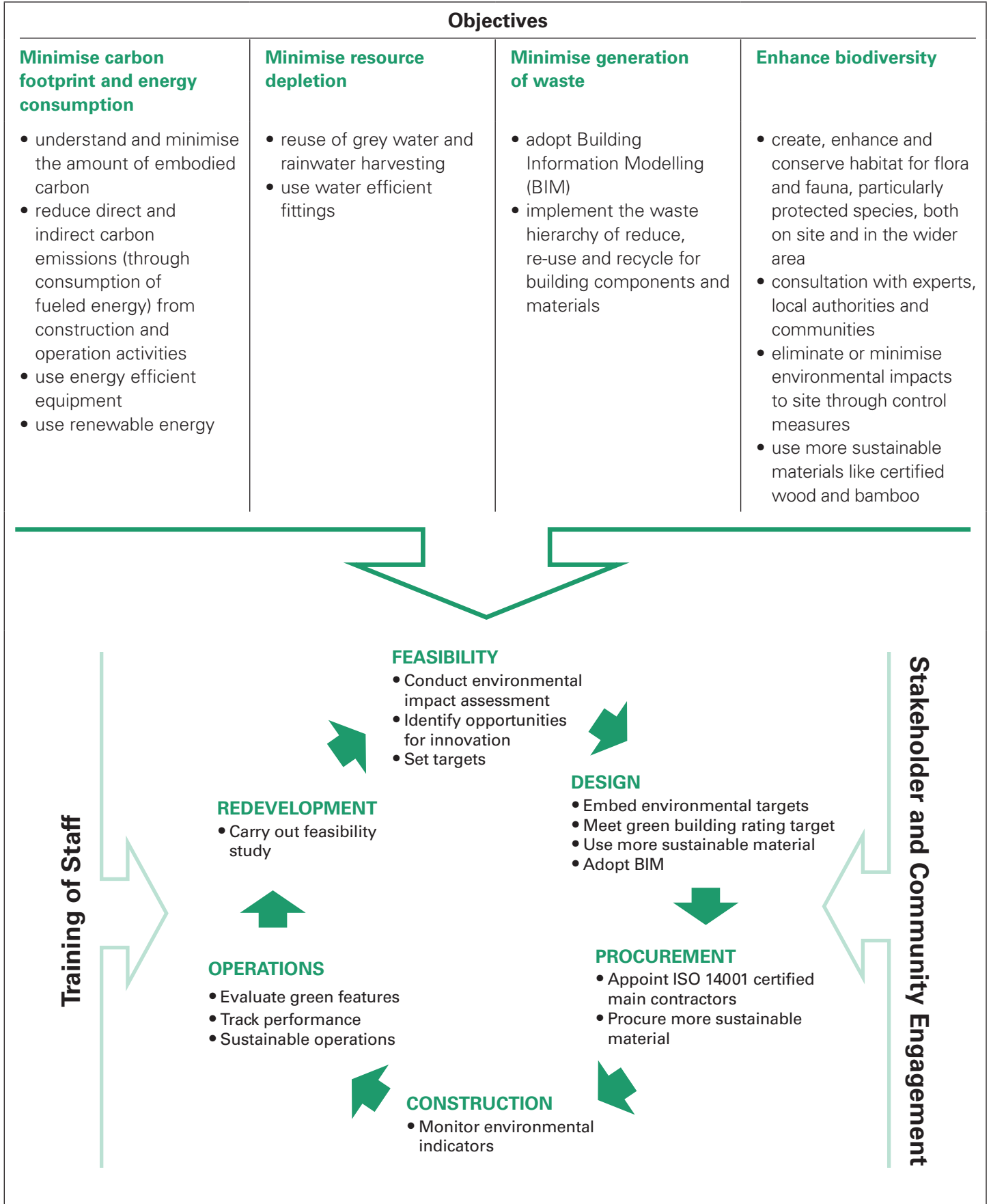
Climate change brings about different effects in different geographies. The effects include rising sea levels, long intense heat waves, flash floods and fresh water depletion. By adopting the GBG, CapitaLand aims to future proof its developments by addressing the anticipated effects of climate change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

The GBG is regularly reviewed to ensure continuous improvement. Changes since inception include higher green building rating requirements, increased focus on biodiversity, use of certified wood and design for accessibility. CapitaLand is reviewing the GBG to reinforce emphasis on the 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.

⁸ This is for new projects or development projects with GFA of at least 2,000 m²

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Life Cycle Management



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Environmental Impact Assessment (EIA)

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

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

Biodiversity

CapitaLand is committed to preserving the biodiversity of its sites as well as the wider area wherever possible. This is done by addressing any distinctive ecological features of the site, taking into consideration nature reserves on or near the site, 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 growth cities in Asia, most CapitaLand projects are located in urban and built-up areas. There are no sites located within protected areas.

The Ascott Limited has implemented Green Procurement Guidelines which recommend green products to for procurement (e.g. bamboo flooring as bamboo is a sustainable source) for the outfitting of its serviced residences.

Some concerns to biodiversity could be the flow out of waste or toxic materials from properties. As CapitaLand has implemented its 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 Panda cubs from China in 2012 and organised educational programmes on wildlife conservation awareness, designed for underprivileged children supported by the CapitaLand Hope Foundation.

Reducing Carbon Footprint a Tree at a Time

Recognising the interdependence of a healthy ecosystem which could impact its business through the absorption of pollution and stemming of erosion, CapitaLand has focused its stakeholder activities on tree planting in stressed regions.

In China, CapitaLand sponsored the Million Forests Campaign organised by The Climate Group, China Green Foundation and UNEP (United Nations Environment Programme), to plant approximately 667 m² of sea buckthorn in the Gansu Tongwei County to help improve the ecological environment to benefit the region and local people.



In India, The Celebration Mall, Udaipur planted close to 215 indigenous trees along the periphery of the mall and in the median in conjunction with Environment Week (first week of June). It will be maintaining these trees on behalf of the local authority – Udaipur Improvement Trust.

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Green Showcases

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

Luwan integrated development, Shanghai, China

Gold Level Pre-Certification

Leadership in Energy and Environmental Design (LEED) Gold Level Pre-Certification

US Green Building Council

The Luwan integrated development comprises an eight-storey shopping mall and a 29-storey office. This site is developed in accordance with the Shanghai Local Land Use Control Plan⁹.

Water and Construction Waste Management

The main contractor is tasked to develop an Erosion and Sedimentation Control (ESC) Plan. All construction activities are guided by this plan.

The main contractor is contractually bound to divert 95% of construction waste from landfill disposal or incineration. The construction waste management plan was approved prior to construction commencement, and monthly reports are to be submitted.

Sustainable Building Material

The main contractor needs to submit a material procurement plan before construction commences, as well as monthly reports during the construction period. The following criteria also need to be fulfilled:

- Use at least 30% regional materials, extracted and manufactured within 500 miles (just over 800 kilometres), based on total material cost
- Use at least 20% materials with recycled content, based on total material cost
- Procure and use wood-based materials and products that are certified in accordance with the Forest Stewardship Council (FSC) principles and criteria and meet the 50% target, based on total material cost

Connectivity and Green Transport

The development is directly connected to the existing Madang Road interchange station for two subway lines – Line 9, which connects the site to the Lujiazui central business district six stops away and the Xujiahui shopping stretch; and Line 13, which goes to the southern part of Shanghai. When completed, it will encourage green transport by providing about 700 secure bicycle spaces (including changing and shower facilities) and dedicating at least 5% of the total car parking capacity as preferred parking spaces for low-emitting and fuel-efficient vehicles. These preferred parking spaces will be located near the carpark elevators.

Eco-Efficiency

The development's high-performance building envelope reduces heat gain and allows natural daylight into the building. Together with high efficiency mechanical equipment, energy efficient air-conditioning system with variable speed drives (VSDs) for pumps, and lighting and motion sensors for back of house (BOH) corridors, toilets and carpark lift lobbies, the total operational energy usage is expected to be reduced by 12%¹⁰ which is about 1,750 MWh/year.

More than 50% potable water usage reduction¹¹ (estimated 80,000 m³/year) will be achieved by 30% water savings from using efficient water fixtures and 20% water savings from the use of recycled water (rainwater and condensate water) for toilet flushing and landscape irrigation.



⁹ It does not contain any sensitive site elements as stipulated in credit requirements, e.g. not located at any prime agricultural land, flood plains, previous public parkland, wetlands, lands which provide habitat for endangered species, and not causing any environmental impact.

¹⁰ 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).

¹¹ This is compared with US Energy Policy Act of 1992 fixture performance requirements.

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CapitaGreen Singapore

Green Mark Platinum

Building and Construction Authority (BCA), Singapore

CapitaGreen will be a 40-storey Grade A office building with a net lettable area of about 700,000 square feet when completed in the fourth quarter of 2014.

Eco-efficiency

The building's dual-skin façade design minimises solar heat gain with an energy-efficient double-skin high-performance glass with low emissivity and extensive vertical greenery. The building's façade will have 55% green ratio which helps to reduce heat gain and its cool void at the roof channels fresh cool air through building centre core to the office floors.

Energy efficient chillers and zoning together with motion sensors for staircases and toilets, and photosensors for offices will help to reduce energy consumption. With all the green features, the estimated energy savings for CapitaGreen is about 4,700 MWh/year.

Rainwater will be harvested to irrigate the building's plants as a water-saving technique. Most of the plants selected for façade planter are semi-shade tolerant plants, and are relatively hardy and low maintenance. The estimated water savings is about 34,000 m³/year, equivalent to the amount of water required to fill 13 Olympic-size swimming pools.

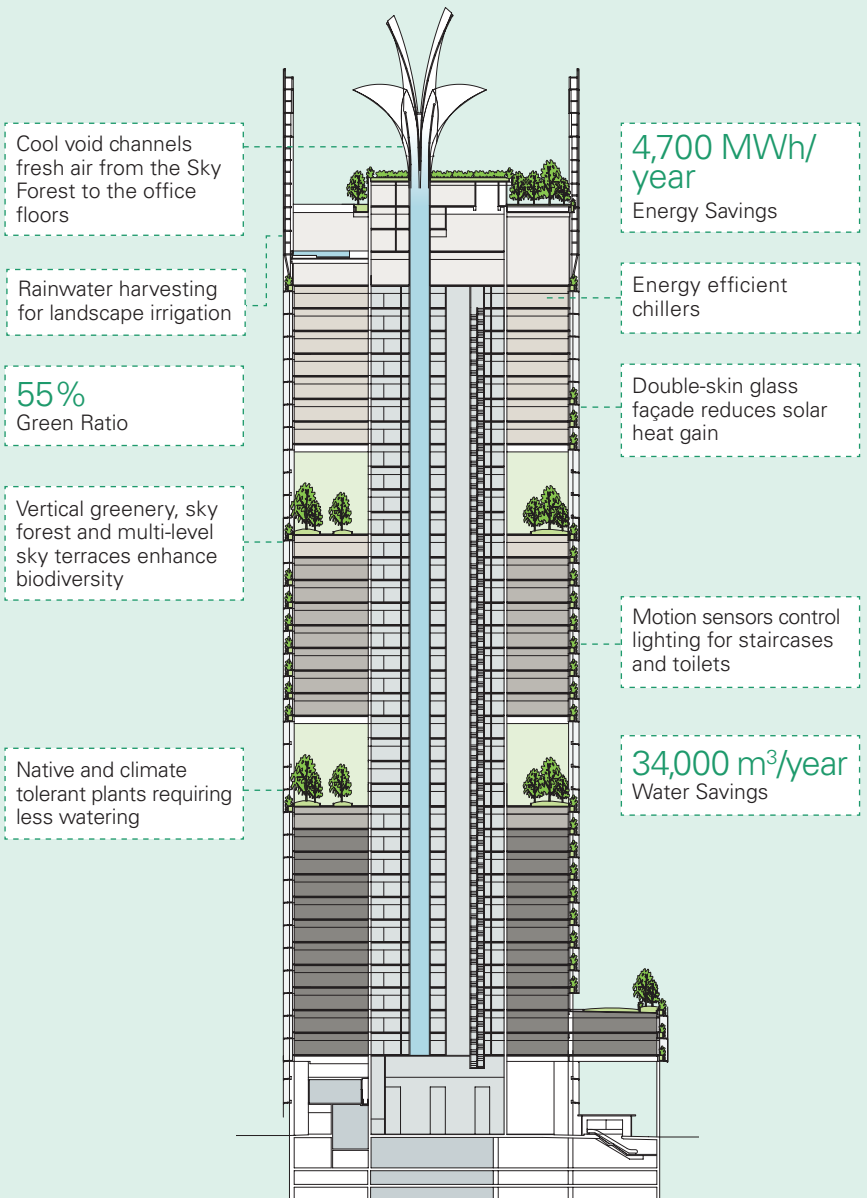
This works out to overall estimated utilities savings of S\$1 million annually.

Biodiversity/Landscaping

The 55% green ratio includes extensive vertical greenery, Sky Terraces at level 5, 14 and 26, and a Sky Forest at level 40 to reduce urban heat gain. Native and climate tolerant plants will be used for landscaping. These green spaces will enhance the feeling of the outdoors for the tenants.

Green Demolition

A systematic process was undertaken to facilitate and maximise resource recovery of demolition material for beneficial reuse and recycling prior to and during demolition. More than 70% of the demolition waste was recycled.



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Tracking with Our Environmental Tracking System

CapitaLand Environmental Tracking System (ETS)

CapitaLand developed an in-house online Environmental Tracking System (ETS) to better track energy and water usage, waste generation and CO₂ emission of its managed and owned operational properties. These include CapitaLand's office buildings, shopping malls, serviced residences and mixed developments worldwide.

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

From 2012, ETS includes tracking of energy and water usage of CapitaLand construction sites as well as energy and paper consumption of CapitaLand corporate offices not just in Singapore but also worldwide.

In 2012, CapitaLand's Technical Services Unit (TSU) team conducted onsite verification and audit of ETS data at six properties in China to further entrench the importance of data accuracy and authenticity.

Carbon Emissions

CapitaLand is committed to addressing climate change through reduction of its energy consumption as well as its other CO₂ emissions in its business operations. CapitaLand 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.

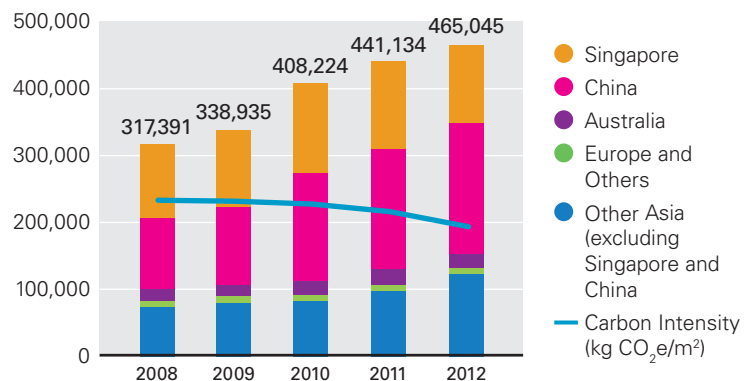
With the increase in CapitaLand portfolio of operational buildings¹², its total carbon emissions increased to 465,045 tonnes¹³.

Despite an increase in absolute carbon emissions due to portfolio increase, CapitaLand's total carbon emissions intensity reduced to 5.9kg CO₂/m²/month or by 16% compared to 2008 intensity levels.¹⁴

Embodied Carbon

Moving forward, CapitaLand aims to minimise its carbon footprint not only through reducing carbon emissions arising from consumption of fueled energy from its construction and operation activities but also from the embodied carbon in the production and distribution of building materials. Embodied carbon will be tracked for selected pilot projects.

Total CO₂ Emissions
(tonnes CO₂e)



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

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 2012 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 5.6 kg CO₂/m²/month in 2020. This assumes that the portfolio and energy consumption pattern remains unchanged from 2012 and based on 2012 carbon emission factors.

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

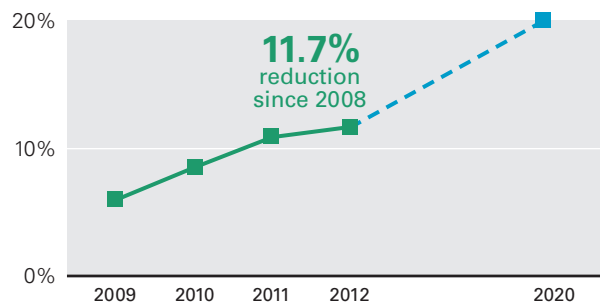
Energy

In 2012, the Group's total energy consumption was 813,072 MWh (2,927,059 GJ). Indirect energy consumption from the use of electricity account for about 87% (2,555,953 GJ) and direct energy consumption from gas, diesel and other fuels account for about 13% (371,106 GJ¹⁵) of total energy consumption.

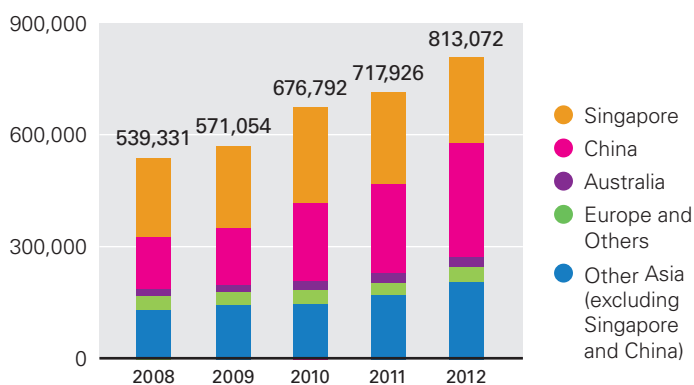
Despite an increase in total energy use due to expansion in portfolio, CapitaLand has reduced its energy intensity¹⁶ measured in kWh per square metre by 11.7% from baseline year 2008. Using a 'Business as Usual' (BAU¹⁷) approach, it is estimated that more than 132,400 MWh of energy consumption was avoided, resulting in an estimated cost avoidance of S\$34 million since 2009.

The reduction in energy intensity or energy usage per square metre (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.

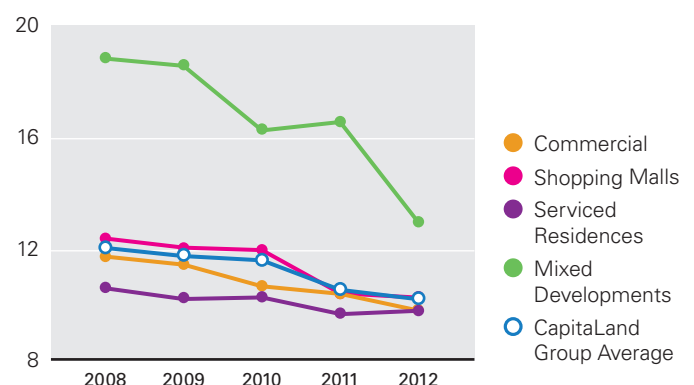
% Reduction of Energy Intensity (2008 as base year)



Energy Usage (MWh)



Energy Intensity (kWh/m²/month)



¹⁵ Direct energy consumption from gas, diesel and other fuels (gasoline) are 324,565 GJ, 39,179 GJ and 7,362 GJ respectively.

¹⁶ 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 129, 145, 152, 174 and 189 for the period from 2008-2012 respectively.

¹⁷ The assumption is that energy consumption in subsequent years will continue at 2008 levels (base year) unless energy improvement measures are adopted.

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CapitaLand is committed to its long-term eco-efficiency target and continues to implement various energy conservation measures, some of which are listed below. It also focuses on innovation to reduce energy consumption (more details in Green Innovation).

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 • Central procurement of LED (light-emitting diode) to encourage the new technology usage. Implemented in Singapore, the system will be rolled out progressively to China and other countries • 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

Renewable Energy

While energy efficiency is the most cost-effective way for CapitaLand to reduce carbon emissions, it is also encouraging the use of renewable sources to avoid emissions. In 2012, 0.6% (or 4,770 MWh) of the Group's total electricity use was from renewable energy sources. Fifteen properties in Singapore, Australia and India had on site renewable energy systems (including wind turbine, solar and Building Integrated Photovoltaic (BIPV) panels) or purchased certified Green Power (electricity generated from renewable sources).

Water

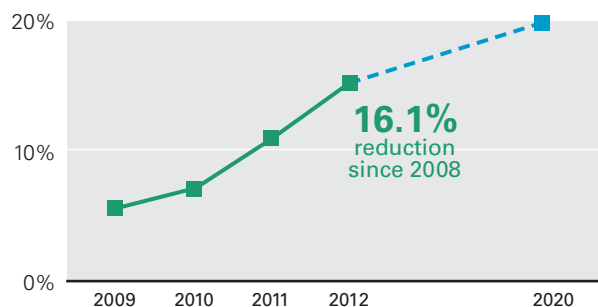
CapitaLand is committed to reduce water consumption, reuse water and prevent water pollution, especially in countries where the availability of clean water and sanitation is a concern. A survey was conducted to better understand water source and discharge for each property. Almost all CapitaLand operational properties' water consumption is derived from municipal supplies¹⁸.

In 2012, the Group's total water consumption was about 8.1 million m³, largely attributed to the expansion of property portfolio. This includes the consumption of more than 700,000 m³ of recycled water. However, CapitaLand reduced its water intensity¹⁹ measured in m³/m² by 16.1% from baseline year 2008.

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 is well on track to achieve 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)

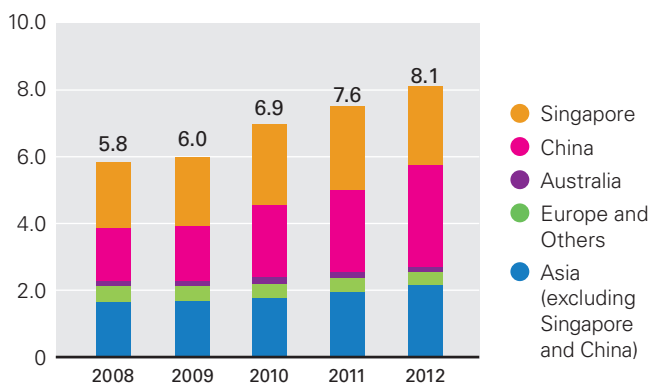


¹⁸ Three properties extract groundwater mainly for emergency use. Meters are installed to monitor water usage.

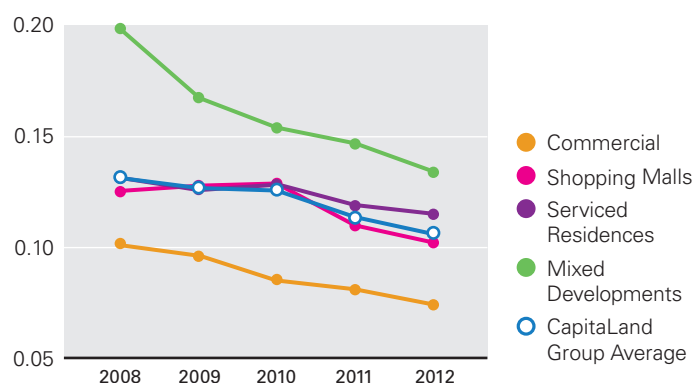
¹⁹ Computation of water intensity excludes new properties which have been in operation for less than 12 months, properties undergoing asset enhancement programmes and corporate offices. The numbers of properties are 125, 141, 148, 169 and 186 for the period from 2008-2012 respectively.

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Water Usage
(million m³)



Water Intensity
(m³/month)



Focus	Initiatives
Consumption Reduction	Flow regulators; self closing delayed action faucets/motion activated faucets; dual flush/low flush toilets Choice of local plant species and drought resistance plants Replace/upgrade cooling tower
Control, Metering and Monitoring	Water audit; sub-metering to track consumption and early leak detection
Recycling	Rainwater harvesting; condensate recovery

Energy and Water Consumption at Development Projects

CapitaLand requires its main contractors to be ISO 14001 and OHSAS 18001 certified, or 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, wastewater discharge and construction noise, with the aim to minimise environmental impact.

In 2012, 33 CapitaLand projects under construction in Singapore, China, India and Vietnam consumed about 57,700 MWh of energy²⁰ and close to 1.7 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. More than 1.7 million kilogrammes of recyclable waste²¹ was collected from 47 properties in 10 countries.

In 2012, about 51.6 million kilogrammes of non-recyclable waste was generated at 72 properties in Asia, Europe and Middle East. These included office buildings, service residences, shopping malls and integrated developments.

CapitaLand continues to encourage the measurement of waste quantity in as many properties as possible.

²⁰ Scope 1 and Scope 2 data according to the definition by the Greenhouse Gas (GHG) Protocol.

²¹ 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.

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CapitaLand requires its main contractors to implement proper waste management procedures to minimise construction waste, and to properly manage and dispose the waste generated. An estimated 17.2 million kilogrammes of construction waste was recorded for nine development projects in Singapore in 2012. CapitaLand will look at collection of data for overseas sites in the near future.

Within the company, CapitaLand is building up capacity to leverage Building Information Modelling (BIM) technology to improve the design and construction process through more integrated project coordination. Its management served as a member of the BCA BIM Guide Development Workgroup to help drive this initiative at a national level. Within CapitaLand, it established a central BIM committee comprising senior management level representatives from all SBUs, and representatives from corporate departments such as IT. This initiative is driven from the corporate headquarters. 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.

CapitaLand has implemented BIM in Singapore on a Group-wide basis with four residential projects, one commercial project and two integrated development projects.

Energy and Paper Conservation in CapitaLand Corporate Offices

CapitaLand corporate offices in 12 countries contributed about 0.5% of the Group's overall energy consumption in 2012. The offices consumed 4,525 MWh of electricity, with an improvement in the energy intensity (electricity consumption per m²) of 7.8% as compared to 2009 (base year). This was made possible through the adoption of energy conservation measures as well as utilisation of more energy efficient equipment and appliances.

CapitaLand also achieved paper usage reduction of 34% per employee compared to 2009. These savings are attributable to the conscious effort by every employee to reduce paper usage. In 2012, about 26,000 kilogrammes of used paper were collected from Singapore offices for recycling.

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

CapitaLand actively promotes the use of environmentally-friendly paper. All letterheads and name cards are printed on recycled paper since the second half of 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 also used to print the annual report.

ENVIRONMENT

























Engaging Our Community

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

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

Comprehensive Global Stakeholder Engagement Initiatives

CapitaLand engages its stakeholders actively. Some of the initiatives of 2012 are shown below:

Programme/ Stakeholder	Staff	Main Contractor	Tenants	Vendors/ Service Providers	Customers (serviced residents, shoppers, etc) and General Public	Government and Regulators	NGOs
<i>Because iCare Awards – (EHS)</i>							
WWF Initiative Earth Hour							
ISO 14001 Certification							
Tree Planting							
Active Participation in National Committees							
SBU Specific Green Initiatives							
Green Innovation Award							

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 BCA's Green Mark Assessment Committee and a member of its Building Information Modelling (BIM) Guide Development Workgroup in 2012. The President & Group CEO was appointed to the BCA Board in 2013.

CapitaLand is a founding sponsor of the Singapore Green Building Council (SGBC). The council's work complements and supports the government's efforts to accelerate the greening of buildings by 2030. In 2012, CapitaLand management served as the Treasurer and was a member of the Executive Committee. CapitaLand also chaired the SGBC's Strategy, Membership and Communications Committee.

In addition, CapitaLand is a Gold member of the Singapore Compact for CSR.

Australand, one of CapitaLand's regional investments in Australia, was represented in EHS Committees and workgroups in various cities and states. It was also the Gold Sponsor of the Green-Star-Communities rating tool by the Green Building Council of Australia. The objective of this rating is to establish a framework for sustainable large scale community development projects across Australia. Australand staff assisted in the development of this rating tool.

Recognising Stakeholders for Going the Extra Mile

CapitaLand held its inaugural *Because iCare* (BiC) Awards for Environment, Health and Safety (EHS) to recognise its stakeholders – contractors, tenants, service providers and staff - for their contributions to EHS in CapitaLand. Over 20 companies and individuals received the main BiC Awards - EHS and Special Mention awards at the event. The Awards is part of CapitaLand's BiC campaign launched in February 2012 to rally Group-wide effort to ramp up stakeholder engagement.

During the event, best practices were shared to encourage peer learning.



Awards recipients of the inaugural CapitaLand *Because iCare* Awards for Environment, Health and Safety.

McDonald's received the award for its extensive green fit out at its JCube outlet such as the extensive use of sustainable materials and LED lightings as well as CO₂ sensors for indoor air quality monitoring.

ENVIRONMENT

WWF Initiative – Earth Hour

235 CapitaLand's properties across Asia and Europe participated in Earth Hour 2012 by turning off the façade and non-essential lights through the night on 31 March 2012. It was the fifth year that CapitaLand participated in the annual global sustainability movement to raise awareness on climate change commitment towards protecting the environment.

CapitaLand's efforts for Earth Hour went beyond switching off the lights with a series of environmental awareness campaigns organised at its properties. In China, the outreach activities ranged from tree planting, to recycling disposable chopsticks into works of art to raise awareness on forest conservation and reduce use of disposable chopsticks.

Wear Less Day expanded to Asia and Europe

CapitaLand understands the importance that end-users play in energy consumption. It identified the consumption of heating and cooling of indoor temperature and embarked on a specific programme "Wear Less Day" to address this issue.

Launched in Singapore as an extension of CapitaLand's commitment towards Earth Hour, this initiative was expanded beyond Singapore to Asia and Europe on the eve of Earth Hour 2012. Staff, tenants and customers supported the efforts to save energy by dressing down on that day as air-conditioning temperature at CapitaLand properties were turned up to 25°C. As this campaign went international, and in view of varied climate conditions, "Wear More Day" was created, where staff and tenants in countries such as Japan, South Korea, Belgium, France, Germany, Spain and the UK, "wear more" as indoor heating temperatures at participating properties in the country were turned down in a bid to conserve energy.



Staff, tenants and shoppers participated in Wear Less Day at CapitaMalls in Malaysia.

With the success of this initiative, The Ascott Limited, CapitaLand's wholly-owned serviced residence business unit, has made it a monthly event by encouraging staff and guests to "wear less" and "wear more" on its monthly Earth Day (first Friday of each month).

PEOPLE

Human Capital

Ranked 7th in the Randstad Award, Singapore, as one of the most attractive employers in the country	52 training hours per employee, well above recommended industry guide of 40 hours	Employees from more than 80 different nationalities
Women account for about 27% of top management positions	Zero known reports of discrimination Group-wide	Performance linked remuneration for 100% of employees

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

In 2013, CapitaLand moved up 10 positions to 7th position in the annual Randstad Award that recognises Singapore's most attractive employers. This award is given based on the results of a quantitative online survey conducted by an independent external research agency among a population of 4,500 people and the sample is based on the national workforce demographics (age, gender, education level).

In the survey, CapitaLand was recognised by respondents for its strong management, financial health, interesting job content and concern for the environment. For its significant improvement in ranking, CapitaLand was accorded the Employer Brand to Watch at the Randstad Award.

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 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:

¹ The Tripartite Alliance for Fair Employment Practices (TAFEP) was formed in May 2006 to promote non-discriminatory employment practices and to shift mindsets 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

- 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.

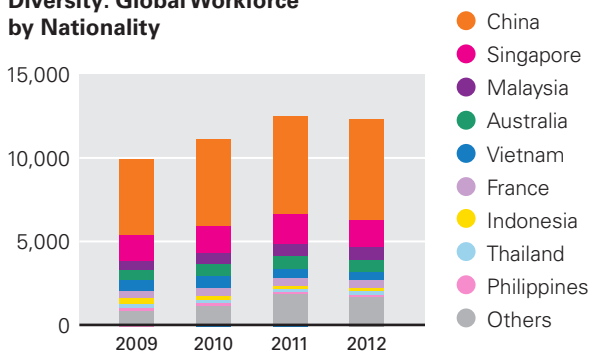
In 2012, there were no known reports of any incidence of discrimination by its employees in Singapore and overseas.

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

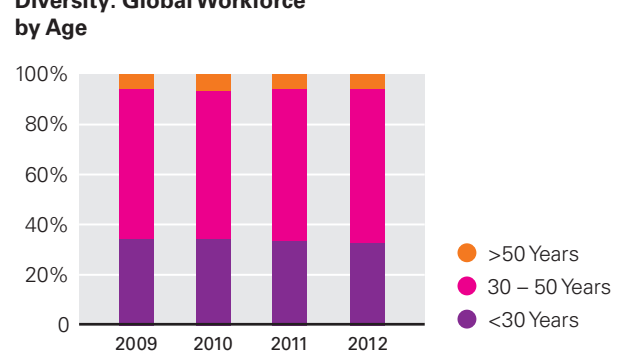
CapitaLand identifies talents internally and externally to build bench strength as well as talent pipeline for leadership succession planning. CapitaLand recruits talents through its network of local and overseas universities, and also attracts young talents early through scholarship programmes such as the CapitaLand-BCA Scholarship, CapitaLand-NUS-USP Scholarship, CapitaLand International Scholarship and CapitaLand-MOM National Human Resources Scholarship. Aside from fresh graduates, CapitaLand also employs experienced and mid-career professionals as well as industry veterans.

CapitaLand's vibrant, motivated and qualified workforce has given the Group a competitive edge. About 65% of CapitaLand's global workforce is between the age of 30 and 50. About three-quarters of new recruits in 2012 are born from 1978 onwards, commonly known as Generation-Y. Over 65% of its employees hold tertiary qualifications and above (this includes holders of diploma, and bachelor's and master's degree qualifications).

Diversity: Global Workforce by Nationality



Diversity: Global Workforce by Age



Re-employment Opportunities

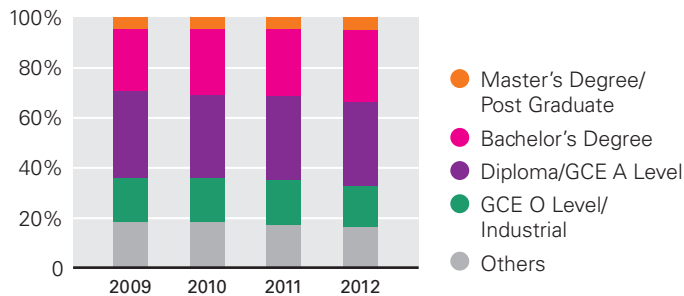
The Singapore government has implemented the re-employment legislation in 2012 to enable more people to work beyond the current statutory retirement age of 62, up to 65 in the first instance and subsequently, to 67 years old. Before the legislation, CapitaLand already had a re-employment policy of extending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

PEOPLE

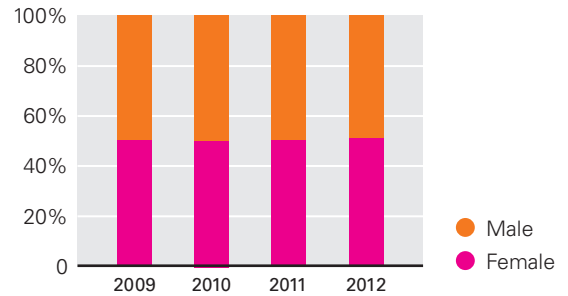
Talent Management

CapitaLand's global workforce comprises an almost equal proportion of males and females. The company's female employees are well represented at the middle and senior management level. For the past three years, almost 50% of the managerial employees are female. In 2012, about 27% of top management comprised females with five² of them holding top positions including CEO appointments within the Group.

Diversity: Global Workforce by Education



Fairness: Global Workforce by Gender



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. The talent management decisions are driven by a set of organisational core competencies as well as position-specific competencies. CapitaLand's performance management and talent development programmes provide developmental opportunities to nurture employees' capability and personal traits, underpinned by its core values, through formal classroom trainings, on-the-job exposure, job rotation and mentoring/coaching.

The Executive Resource and Compensation Committee (ERCC) of the Board reviews succession planning for the key positions in the company including President & Group CEO and other key management personnel in CapitaLand. Mr Lim Ming Yan, an internal candidate whose prior appointments include CEO of CapitaLand China, CEO of The Ascott Limited and then Group Chief Operating Officer, was appointed as the new President & Group CEO to succeed Mr Liew Mun Leong who stepped down on 31 December 2012.

On an annual basis, suitably qualified candidates, from both internal and external sources are reviewed and kept in view in the light of immediate, medium term and longer term needs and readiness. For more information, please refer to pg 59 of the CapitaLand Annual Report 2012.

For the period under review, some of the key executives that came on board the CapitaLand Management team included Margaret Goh, CEO, Special Projects, CapitaLand Singapore and Leong Teng Wui, Chief Development Officer, The Ascott Limited.

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 talent, 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.

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

PEOPLE

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 markets 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 aligns employee and shareholder interests to deliver business results. For non-managerial grade employees, the Restricted Cash Plan (RCP) was implemented from the 2012 financial year to give 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.

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

CapitaLand monitors the movement of its workforce closely and its staff turnover has remained in a manageable range of 22 - 23% for the last two years especially in the tight labour market situation in China. 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 enlarged 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 keeping 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). During the economic downturn in 2009, CapitaLand did not resort to retrenchment measures. Instead, CapitaLand encouraged employees to leverage the lull period to upgrade their skill sets for operational readiness when the market recovered. The Group also took the initiative to review and streamline internal work processes. To keep jobs, CapitaLand implemented a Group-wide pay cut with top management leading the way with a 20% wage reduction. Wages were restored in December 2009 when the economy recovered from the downturn.

In January 2013, under the leadership of new President & Group CEO, the Group consolidated its operations into four business units – CapitaLand Singapore, CapitaLand China, CapitaMalls Asia and The Ascott Limited – to sharpen the Group's focus on key markets and further accelerate its growth potential. If there are overlaps in job functions as a result of the consolidation, the management will ensure the best person for each job and plan for other employees for re-deployment within the Group and provide the necessary training.

Industrial Relations

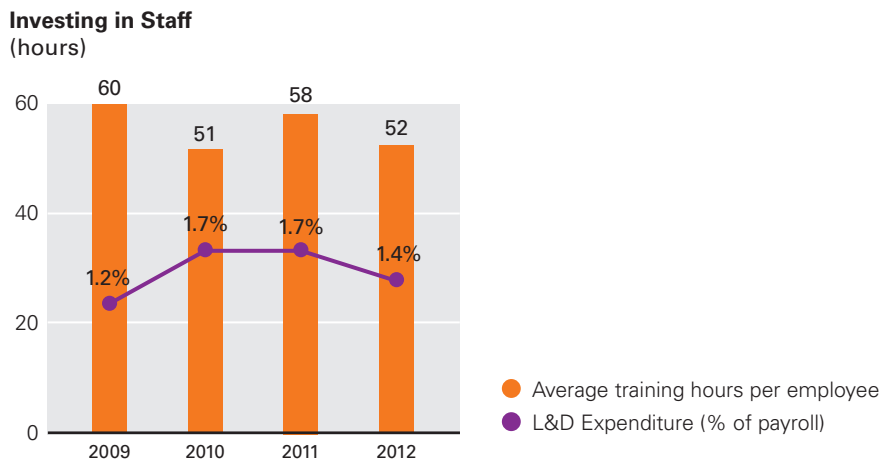
CapitaLand is committed to maintaining harmony in labour relations. It respects all employees' right to freedom of association and the right to be members of trade unions. In Singapore, CapitaLand is guided by the Industrial Relations Act that allows representation of staff by trade unions for collective 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 the employees and the company. Currently, an average of 37% of the bargainable workforce and junior executives in Singapore are union members. Globally, 11% of its workforce is covered by collective agreements.

Learning and Development

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. In 2012, 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 52 hours, well above the recommended industry guide of 40 hours per annum. Employees are granted paid examination leave for their studies. For full-time staff, examination leave is up to 10 days per calendar year.

PEOPLE

CapitaLand's in-house training hub, CapitaLand Institute of Management and Business (CLIMB), has provided over 10,850 training places since inception in 2006. In 2012, CapitaLand expanded its corporate learning and development capability to establish its first CLIMB overseas in Shanghai, China. CLIMB China targets to serve the training needs of about 7,000 employees in China, and has signed a memorandum of understanding (MOU) with Tongji University's School of Economics and Management in Shanghai to expand its network of training partners. Through the partnership, CapitaLand's employees can benefit from the teaching faculty and training resources in real estate and business management programmes in this prestigious university.



Staff Engagement

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

Quarterly employee communication sessions are organised where the President & Group CEO and the senior management team will communicate and interact with staff. These sessions are also webcast live to CapitaLand offices in Singapore and other countries. 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 either send in their questions via email before the session or raise questions directly, to be answered during the session.

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. The CapitaLand Counselling and Advisory Panel (CAP), established in 2010, provides an additional avenue for employees to seek advice, guidance, coaching and counselling on any work or career related matters from experienced leaders in the company.

CapitaLand also publishes an e-newsletter "*i-Connect*" to provide quarterly updates to employees on the latest developments within the Group. Information such as employment terms, benefits and practices, Ethics and Code of Business Conduct is made available to all employees through CapitaLand's intranet portal.

During the year in review, CapitaLand conducted a second Employee Engagement Survey (EES), as a follow-up to the inaugural EES in 2010. An independent consultancy firm was appointed to administer the survey and to ensure confidentiality in soliciting honest responses from the staff. More than 90% of the Group's 12,000 staff in over 20 countries participated in the survey. The results showed significant improvements in the scores across all 16 categories³ in the EES 2012, as compared to 2010.

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

PEOPLE

In response to the feedback gathered from the EES, focus groups were formed to follow up on the areas for improvement. More than 100 focus group sessions in 16 countries were organised. This involved close to 1,500 participants who brainstormed action plans to address the various areas for improvement.

Some initiatives launched as a result of the findings are as follows.

Feedback	Initiatives
Provide more flexible work arrangements to improve work-life balance	<ul style="list-style-type: none"> • Piloting a programme to provide additional staggered working hour options, in addition to the existing policy. This provides greater flexibility to employees to accommodate their commitment outside of work or to avoid peak travel times. • Piloting a programme to enhance the existing telecommuting policy to provide for a regular telecommuting (once a week) option for eligible employees. This provides opportunity for employees to save commute time between the office and home.

ICE (Innovation, Creativity and Entrepreneurship)

The ICE (Innovation, Creativity, and Entrepreneurship) programme was started in 2006 to provide 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.

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 2012, over 210 employees from Australia, China, Malaysia, Singapore, Thailand and Vietnam have shared ideas at ICE camps. Fourteen ICE ideas that were generated by CapitaLand employees through ICEBerg and ICE Camps in 2012 were implemented. There are nine more ideas being considered for implementation by the respective business units. To date, more than 1,200 employees have shared ideas at 40 ICE camps held in more than 10 cities.

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.

CapitaLand has grown significantly over the years to become an international company with business presence in more than 110 cities in over 20 countries. Work improvement programmes have been implemented to raise the level of employee engagement under the various initiatives as part of the 'Because iCare' campaign. The diversity of CapitaLand's workforce provides competitive advantage and enables the company to achieve scalability in the various business sectors and geographical presence, guided by the company's core values and operating principles.

Under the leadership of President & Group CEO Mr Lim Ming Yan, the Group will continue to build on its strong foundation to be the leading real estate developer in Asia.

PEOPLE

Occupational Health and Safety

OHSAS 18001 certified in 15 countries	Zero staff work-related fatality, permanent disability or occupational diseases
10 main contractors appointed in 2012 are OHSAS 18001 certified and 2 will be externally audited for OHS legal compliance onsite	Zero non compliance for workplace health and safety
Workplace Safety and Health Developer Award for residential business in Singapore	Recognised its stakeholders for OHS performance through its BiC Awards – Environment, Health and Safety

Commitment towards a Safe and Healthy Workplace

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

CapitaLand's framework towards occupational health and safety includes identifying material issues, setting policies, ensuring accountability within the company, coming up with action plans and involving stakeholders in the process.

PEOPLE

FRAMEWORK

Material Issues

Workplace health and safety of staff

Safety of its properties for its residents, shoppers, tenants and the public

Supply chain management

Policy

- Reduce occupational injury rates with the aim 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

- CEOs made accountable
- OHSAS 18001 certified OHSMS ensures accountability to relevant managers and all staff
- Setting of key performance indicators (KPI), linked to remuneration for 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 assesment • Green Buildings Guidelines <ul style="list-style-type: none"> - Design for Safety (DfS) • Safe operations – OHS SOPs | <ul style="list-style-type: none"> • Appointing OHSAS 18001 certified main contractors or OHS legal compliance onsite • Preference given to OHSAS 18001 certified vendors/suppliers; in Singapore, non-OHSAS 18001 certified vendors/suppliers encouraged to achieve BizSAFE level 3 and above. |
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Stakeholder Engagement

- Involve in national policy making
- Collaborate with NGOs
- Educate end-users – tenants, shoppers, residents and the general community

Materiality Review

CapitaLand undertook an independent sustainability materiality assessment with a broad range of internal stakeholders who are senior managers in the company. The materiality workshop reviewed key environmental, health and safety (EHS) issues that are important to the business, the community and the environment. It examined how these issues are linked to the core business strategy and prioritised them for action by the company.

During the review, OHS was deemed to be the most material issue. In response to the materiality review, CapitaLand is establishing and implementing a roadmap to respond to the material issues.

Roadmap

2013 	2014 	2015
<ul style="list-style-type: none"> • Continue to improve data collection and analysis of main contractor OHS performance in Singapore and overseas with the aim to include main contractor OHS performance in KPI • Increase public disclosure on OHS performance by main contractors in key markets • Implement one Design for Safety (DfS) project 	<ul style="list-style-type: none"> • Incorporate main contractor OHS performance into KPI 	<ul style="list-style-type: none"> • Review targets and methodology for OHS performance for staff and supply chain

Top Management (C-Suite) Commitment and Staff Involvement

CapitaLand champions OHS with top management (C-Suite) 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 on page 17 in the Environment Chapter.

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 for all its staff including top management.

Robust Occupational Health and Safety (OHS) Management System

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

Certified to International Standards

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

In 2012, the Group achieved OHS 18001 certification for its OHS Management System in 15 countries⁴ – covering all markets with investment properties. This encompasses all business functions: property management, property development, corporate management and operations. (Australand is certified under AS 4801 – Australian Standard for Occupational Health and Safety Management Systems.)

Global Internal and External Audits

CapitaLand has in placed an internal audit system to ensure the conformance and effective implementation of its OHS Management System to the 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. External audits are conducted annually by a third-party accredited certification body – TUV SUD PSB.

⁴ This excludes countries where CapitaLand does not have any investment projects.

PEOPLE

Having an annually audited OHS management system provides assurance to the top management and external investors on legal compliance and alignment to the best practices of the company.

Compliance

Legal requirements are reviewed on a quarterly basis and compliance is evaluated annually. In 2012, CapitaLand complied fully with local OHS laws and regulations.

Risk Management of OHS Hazards

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

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

OHS hazards were identified for the administration, development and operation 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 Standard Operating Procedures to minimise the occurrence of such hazards.

CapitaLand introduced the requirement of Design for Safety (DfS) in its Green Buildings Guidelines (GBG). Design for Safety ensures that safety in construction and maintenance is considered right from the design stage and enables CapitaLand to control health and safety risks throughout the life cycle of buildings and structures. It brings about greater safety to contractors building, crews maintaining, users occupying and workers demolishing buildings. Risks identified can be designed out or mitigated in the early phases of a project.

Training and Awareness

To facilitate effective implementation of its OHS Management System, training and awareness programmes are planned for all staff. Please refer to page 18 of Environment Chapter for more details on EHS training programmes.

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

Prevention and Action on Serious Diseases

CapitaLand is always primed to set up appropriate response procedures and teams in relation to the threat of serious diseases. The HR department sends medical and travel alerts when appropriate to all staff. Information on pandemic planning is made readily available for all staff on the CapitaLand intranet.

Measuring Our Safety Performance

2012 Occupational Health and Safety Targets and Performance

Targets	Performance
OHSAS 18001 certification for its OHS Management System in all markets with investment properties	<ul style="list-style-type: none"> Achieved OHSAS certification in 15 countries covering all markets with investment properties Complied fully with local OHS laws and regulations
Zero incident resulting in staff permanent disability or fatality	<ul style="list-style-type: none"> No staff work-related permanent disability or fatality
All main contractors appointed to be OHSAS 18001 certified (or to comply fully with local OHS laws and regulations, annually audited by an independent accredited assessor)	<ul style="list-style-type: none"> 12 main contractors appointed in 2012 <ul style="list-style-type: none"> 10 are OSHAS 18001 certified 2 will engage external auditor to conduct site OHS legal compliance audit 7 WSH SHARP and RoSPA awards 3 main contractors presented with CapitaLand BiC Awards – EHS for outstanding occupational health and safety performance

It was reconfirmed that occupational health and safety was deemed the most material issue for CapitaLand during the materiality review. CapitaLand's performance monitoring involves all full- and part-time staff in the daily operations and project management of its development sites

In 2012, there were six reportable⁵ incidents in Singapore, 13 in China, one in rest of Asia and 12 in Europe. Most of the staff are from the operations team. All affected staff resumed normal work after their medical leave. In all cases, detailed investigations were conducted, and all necessary follow-up action was taken. CapitaLand will continue to monitor the performance, reinforce safety standards and finetune its Standard Operating Procedures for continuous improvement.

For more details on Australand's report on the safety performance for its staff and contractors, please refer to the figures in page 46.

CapitaLand Staff	Singapore	China
Occupational diseases instances	0	0
Work-related fatalities/permanent disabilities	0	0
Injury rate ⁶ (number of injuries per million hours worked)	1.5	1.0
Lost Day rate ⁷ (days per million hours worked)	95.7	67.7
Absentee rate ⁸ (days per employee per year)	5.9	2.0

⁵ A reportable incident refers to any injury or illness to any employee that requires a report to be raised under local laws and regulations.

⁶ Injury rate is computed based on number of reportable incidents.

⁷ Lost day rate is computed based on lost man-days as a consequence of the reportable incidents.

⁸ Absentee rate is based on medical leave taken by staff, regardless of whether it is work-related illness or not.

PEOPLE

Stakeholder Engagement

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

	Staff	Tenants	Suppliers and Main Contractors	Community	Government and NGOs
Recognition through the CapitaLand BiC Awards for EHS	+	+	+		
Fire safety talks and fire drills	+	+	+	+	+
National WSH committees/campaigns	+		+		+
Tender/contract specifications			+		

National Policy Making

CapitaLand participates actively in national efforts towards workplace health and safety. In Singapore, this included participation in Workplace Safety and Health (WSH) Construction and Landscape Committee.

Tenants and Community

In China, CapitaLand collaborated with the local fire departments and organised fire drills at 38 malls to raise the safety awareness among its tenants and shoppers.



Supply Chain Management

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

Vendors and Service Providers

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

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

From 2012, CapitaLand offices in Singapore will only appoint bizSAFE⁹ Level 3 and above certified vendors and service providers upon contract renewal or signing of new contracts. It is looking into introducing similar requirements on overseas offices, where possible.

Main Contractors

CapitaLand requires the main contractors engaged for its development projects to be OHSAS 18001 certified or to engage an independent accredited assessor to conduct site OHS legal compliance audits. All 12 main contractors appointed in 2012 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 Rate¹⁰ (AFR) and Accident Severity Rate¹¹ (ASR) of its main contractors at its sites. In 2012, CapitaLand improved its AFR at its Singapore construction sites to 1.5 cases for every million man-hours worked compared with Singapore national average of 1.7 in 2012. The ASR improved to 26 man-days lost per million man-hours worked and is way below the Singapore national average 172 man-days lost in 2012.

Australand remains very committed to safety which was evidenced by a significant reduction in its injury severity rate to 2.8 man-days lost per million man-hours worked. However, its lost time injury frequency rate (LTIFR¹²) increased for the first time in four years but remains relatively low at 4.6. It continues to pursue further improvements in its safety systems and practices.

Despite best efforts to ensure site safety, there were three fatalities of CapitaLand's main contractor staff in China, Singapore and Vietnam. Lessons from these incidents were shared across business units and have reinforced the company's commitment to strengthen its safety standards.

CapitaLand requires its main contractors in Singapore to apply for the WSH Council's Safety and Health Award Recognition for Projects (SHARP)¹³ awards. In 2012, the residential business in Singapore won the WSH Developer Award for its health and safety best practice onsite. It is looking into introducing similar requirements for overseas offices, where possible.

⁹ 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 to achieve.

¹⁰ AFR is a term used in Singapore by the WSH Council, which measures how often workplace incidents occurred per million man-hours worked.

¹¹ 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.

¹² The LTIFR is a measure of the number of lost time injuries for each one million hours worked. All workplace accidents resulting in more than 1 day or 1 shift lost-time are tracked.

¹³ 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.

PEOPLE

At its inaugural BiC Awards for EHS, CapitaLand recognised three main contractors for their outstanding health and safety performance in CapitaLand sites in Singapore.

Singapore Projects with Safety Awards 2012

Project	2012 Award
d'Leedon	SHARP, WSH Council, Singapore RoSPA ¹⁴ Gold
The Interlace	SHARP, WSH Council, Singapore RoSPA Gold
The Wharf Residence	SHARP, WSH Council, Singapore RoSPA Silver
Urban Resort Condominium	SHARP, WSH Council, Singapore

¹⁴ RoSPA (The Royal Society for the Prevention of Accidents, UK) Award recognises organisations with strong and ongoing commitment to raising health and safety standards.

COMMUNITY

Community Development

More than S\$4 million donated by CapitaLand Hope Foundation	Supported more than 120 charities since 2005
CapitaLand staff across Asia volunteered over 19,000 hours during workdays	100% of CapitaLand staff volunteers have a stronger sense of belonging and pride in working for a socially responsible company (Results of post overseas volunteer trip survey)
Awarded Most Admired ASEAN Enterprise (Corporate Social Responsibility) (Large Company)	Achieved Best Community Developer Award by Singapore Compact for CSR

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

COMMUNITY

FRAMEWORK

Vision

'Building People - Building For Tomorrow'

Each child has within him or her the potential for greatness, which if nurtured and built upon, can bring significant value to future societies.

Mission

To invest in the communities in which CapitaLand operates through its philanthropic arm, CapitaLand Hope Foundation (CHF), to promote social growth and development of underprivileged children, with respect to their education, healthcare and shelter needs.

Policies

Corporate Philanthropy

- Underprivileged Children (0 – 16 years old)

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

Areas of Focus

- Education, Healthcare and Shelter

Geography

- Communities where CapitaLand operates

Corporate Governance

Governing Authority

- Set up CHF as a corporate foundation governed under the Singapore Charities Act
- Conferred Grant Maker Status under 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 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, one executive

Internal/External Audit

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

Volunteer Service Administrative System

- Built-in Volunteer Service Leave and Volunteer Service (non-workday) modules into online HR leave application system
- Tracking of both workdays and non-workdays volunteer activities

Strategic Goals

- Invest in fundamental needs i.e. education, healthcare and shelter of underprivileged children; to lift them out of hardship and eventually break the poverty cycle
- Focus in the communities where CapitaLand operates to ensure a better alignment of core business practices with community investment
- Strive to go beyond donations and be actively involved in projects that will have positive impact for both the community and the 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 include references to the importance of community investment

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
- Strive to put in place 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
- Volunteer staff feel sense of belonging and pride in working for a socially responsible company

COMMUNITY

CapitaLand Hope Foundation

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

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

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

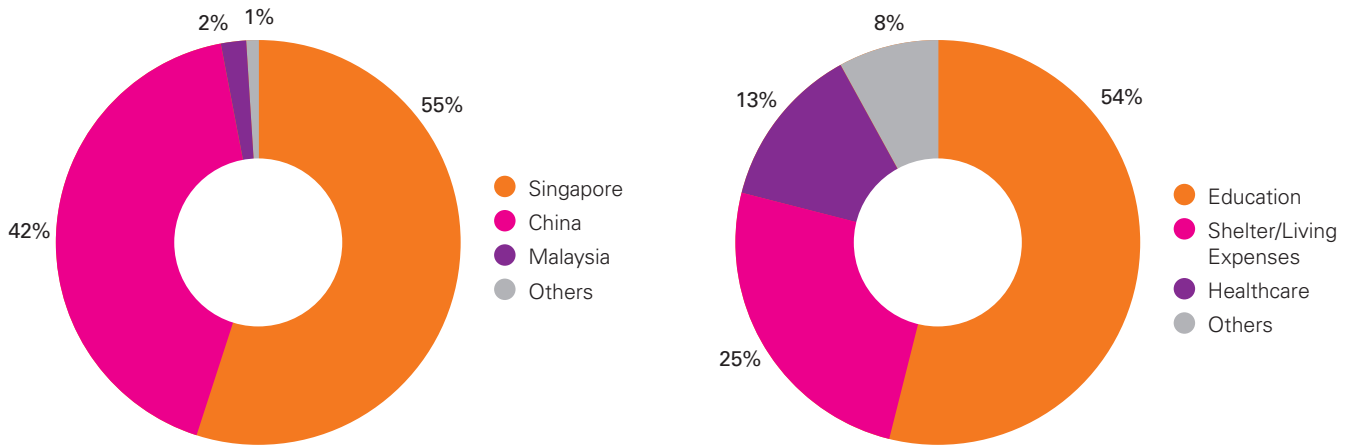
Measuring Our Performance

Since 2005, CHF has donated close to S\$20 million to support programmes for the education, healthcare and shelter needs of underprivileged children in countries such as China, Indonesia, Japan, Malaysia, Philippines, Singapore and Thailand, benefitting more than 120 charities. In 2012, CHF donated over S\$4 million. For its efforts, CapitaLand was awarded Singapore Compact CSR Awards 2012 – Best Community Developer Award and 2012 ASEAN Business Awards – Most Admired ASEAN Enterprise for the category of Corporate Social Responsibility (Large Company). In China, CapitaLand was conferred China Best Corporate Citizen Award for the fifth consecutive year by the China Committee of Corporate Citizenship and CCTV2 in recognition of its excellent CSR practices in China. It was also awarded 2012 Excellent CSR Case by China Association of Social Workers and China Philanthropy Times for its CapitaKids Programme in China.



COMMUNITY

CHF Donations in 2012 by Geography and Focus Areas



Since 2005, CHF has supported more than 120 charity organisations across Asia and some of the key community development programmes for underprivileged children include:

CapitaLand Hope Schools

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

Education is pivotal in breaking the vicious cycle of poverty and social exclusion. In its effort to achieve the objective, CapitaLand has helped to build 24 CapitaLand Hope Schools in remote areas of China and Vietnam, benefitting more than 8,000 underprivileged children in these countries with a conducive learning environment. As at end 2012, 15 CapitaLand Hope Schools have been completed and are in operation.



COMMUNITY

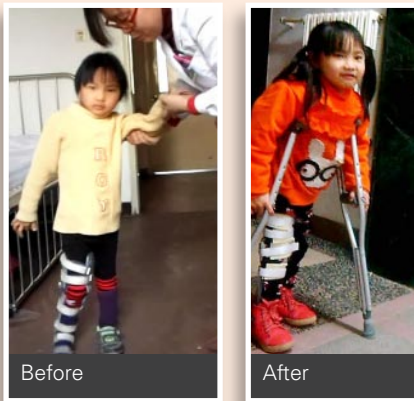
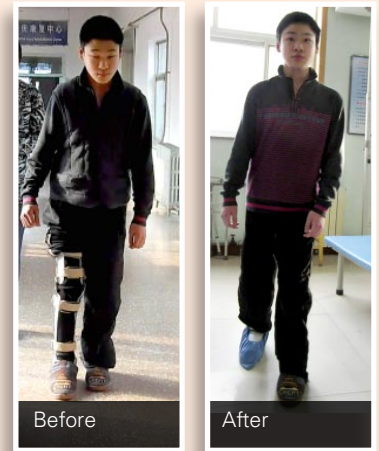
CapitaLand Therapy for Children Project

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

In 2012, CHF China partnered China Charity Federation, a Chinese government-linked charity organisation directly under the charge of the Ministry of Civil Affairs, to launch the CapitaLand Therapy for Children Project. This is a new initiative to fund rehabilitation cost for underprivileged children with physical disabilities due to illness or accident. These children were previously unable to receive treatment due to the high cost of therapy. The programme provided financial assistance to enable these children to undergo therapy, an integral part of their recovery process for them lead normal lives.

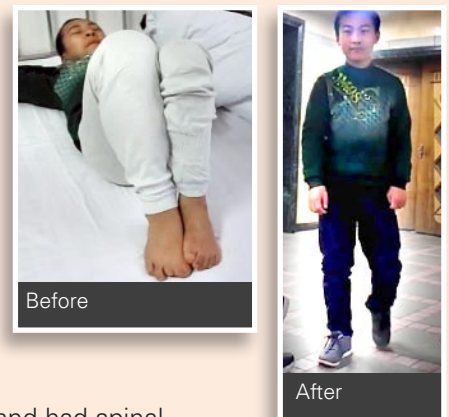
Outcome: Examples of children beneficiaries' medical condition before and after the therapy treatment.

Pang Siyuan, 15 years old, suffers from right foot deformity and hip dysplasia. Before treatment, he walked with pain and did not use proper walking techniques. After more than a month of therapy and with the provision of a proper orthotic device, he is now able to walk with reduced pain and for a longer distance. He has also returned to school in his hometown in Hebei province. >



Yang Xinyi, 6 years old, suffers from poliomyelitis sequelae, valgus knee deformity and scoliosis. She was unable to walk independently before treatment. Due to her condition, her parents were afraid to send her to school. After more than a month of treatment, she is now able to walk independently with the help of walking aids and an orthotic device. After her discharge, she returned to Guangdong province with her parents and will be attending school like other children in future. <

Sun Yifeng, 11 years old, suffers from congenital foot deformity and had left foot talipes equinovarus orthopedic surgery to correct the condition prior to admission. The hospital provided him with an orthotic device and taught him proper walking techniques to cope with his clubfoot problem. After more than three weeks of treatment, he now walks better and has returned to school in Inner Mongolia. >



Wu Yuxin, 14 years old, suffers from congenital deformity of the spinal cord and had spinal surgery to correct the condition prior to admission. Due to her spinal condition, she had weak legs and was not able to walk properly. After more than two weeks of therapy to strengthen her leg muscles, proper walking techniques taught to her and the provision of an orthotic device, she is now able to walk more confidently, with greater balance and less fear of tripping and falling. She has also returned to school in Gansu. <

COMMUNITY

CapitaKids Programme

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

In 2012, CapitaLand embarked on a 10-year support programme called CapitaKids Programme (CKP) in Singapore and China. The programme commits to support the education needs of a selected group of underprivileged children known as CapitaKids, for a period of 10 years from 2012.

In China, two selected students from CapitaLand China Hope Schools were given the opportunity to pursue their studies with the National Academy of Chinese Theatre Arts in Beijing to fulfil their dreams in the performing arts. The programme was awarded 2012 Excellent CSR Case by China Association of Social Workers and China Philanthropy Times.

In Singapore, 10 CapitaKids were supported through a mentorship programme where staff volunteers work alongside social workers to provide support, care and counsel to the CapitaKids. As pivotal links between the company and the CapitaKids, these staff volunteers were prepared for long term commitment as it takes time to develop trust in the mentorship. CKP mentors will host the CapitaKids at the Group's various activities organised by CapitaLand.

Outcome: With financial and mentorship support, CapitaKids feel more assured and do not need to worry about their educational expenses. Nicholas Thiam, one of the CapitaKids in Singapore, topped the foundation class during his Primary School Leaving Examination in 2012 and made it to Secondary 1 (Normal Academic Stream). This is a vast improvement from his results in 2011. Other CapitaKids such as Alicia Thiam and Kylie Wong have also done well in their studies, and most CapitaKids have good testimonials from their schools.



CapitaKids China



CapitaKids Singapore

COMMUNITY

My Schoolbag

Objective: To provide school necessities to relieve the educational expenses for children from underprivileged families

This is a signature annual CSR programme since 2009 where CHF donates schoolbags containing school and daily necessities to underprivileged children across Singapore, China, Malaysia, India and Japan. In 2012, CHF donated more than S\$500,000 to benefit more than 20,000 underprivileged children.

In Singapore, CHF partnered the five Community Development Councils to help 1,000 children from low-income families. The children were each given a new school bag and CapitaVouchers worth a total of S\$150 to shop for their daily and school necessities at a CapitaMall located within their districts.

In China, CHF donated new schoolbags, stationery and story books to nearly 19,000 underprivileged children from over 200 schools in 19 provinces and autonomous regions, including students from 14 CapitaLand Hope Schools. Five CapitaMalls in Malaysia also hosted 600 underprivileged children from about 20 charity organisations for a shopping trail to purchase school and daily necessities.



Kids' Food Fund

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

CHF launched a series of food-related initiatives in support of United Nations World Food Day on 16 October 2010. In 2012, CHF continued to support voluntary welfare organisation, Food from the Heart, through the Kids' Food Fund Programme where food goodie bags are provided for 100 children for a period of one year. In Singapore, many underprivileged children are often left home alone as their parents had to work long hours. In order to encourage these latch-key children to eat well, CHF organised a KFF cooking competition to teach the children about the importance of nutrition and basic cooking skills so that they can prepare simple and nutritious food at home.



COMMUNITY

Green for Hope @ CapitaLand

Objective: To encourage stakeholders to recycle actively through a charity drive to support underprivileged children in the community

CapitaLand reaches out to the community through the Green for Hope, a creative recycling programme at CapitaLand properties where stakeholders are encouraged to recycle and earn donations for underprivileged children. With the aim to combine its philanthropic efforts with environmental sustainability, CHF donated S\$2 for every kilogramme of recyclable waste collected. CHF donated S\$700,000 to the five Community Development Councils (CDCs) in 2012 to fund educational programmes for the community.



CDC mayors and CHF directors posing for photo with children beneficiaries of Green for Hope @ CapitaLand 2012

Some of the programmes funded by CHF have shown positive impact on the children within the community:

CDC/Programme	No. of Beneficiaries	Outcome
Central CDC/Reading Programme Targeted at preschoolers (4-6 yrs) for a period of one year to prepare them for Primary School	36 children	Children are able to recognise and write 70% of alphabets before starting primary school
Central CDC/Tuition Programme Targeted at Primary 6 students taking the Primary School Leaving Examination (PSLE)	14 children	More than 93% of the students improved their English academic results as compared to the year before. About 75% of them passed their English for the PSLE
North West CDC/Community Tuition Fee Assistance Scheme Financial assistance in tuition fee is ranked highest in a survey to find out what is most needed in the community	395 children	Mdm Yeoh Cheng Nee enrolled her two children in the tuition programme as she cannot afford to pay for extra tuition. The girls have shown significant improvement in English, and are more confident when speaking
South East CDC/Health Up 4 Kids Programme A study in 2011 conducted by Temasek Polytechnic showed that a number of children from low-income families were underweight and malnourished. This programme provides nutritious food and knowledge for the needy students who are underweight	1,200 children	85% of last year's participants showed improvements in their academic performance after going through the programme as compared to 73% in 2011

COMMUNITY

President's Challenge 2012

Objective: To support underprivileged children through partnership with a nation-wide fund raising initiative

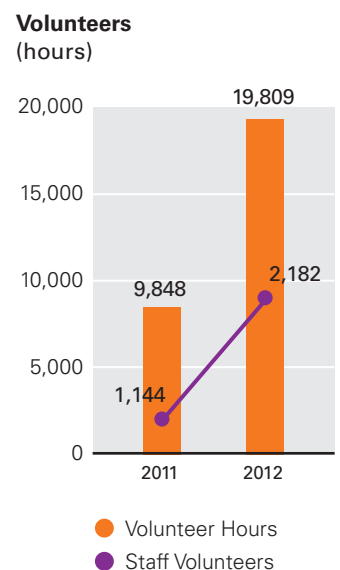
President's Challenge (PC) is an annual fundraising initiative by the President of the Republic of Singapore to raise awareness and invoke action to help the less fortunate in the community. Since 2008, CHF has donated more than S\$1.3 million to support 24 children charities in Singapore. As the Presenting Sponsor and Conservation Donor of the 10-year Singapore-China Giant Panda Collaborative Programme, CHF raised more than S\$300,000 to benefit PC2012 through the CapitaLand *Because iCare* Kai Kai and Jia Jia Charity Drive. Corporate donors bought 10 limited edition Kai Kai and Jia Jia philatelic frames, and more than 10,000 *Because iCare* Kai Kai and Jia Jia panda eco-bags were sold to the public across 29 CapitaLand properties in Singapore to raise funds. The charity drive was launched by President Tony Tan Keng Yam at the Giant Panda Forest.



Advocating Staff Volunteerism

CapitaLand is a strong advocate of staff volunteerism. As the first company in Singapore to formalise a three-day Volunteer Service Leave system, Volunteer No Pay Leave and Volunteer Part-Time Work Arrangement, CapitaLand actively organised more than 280 community development activities in 2012 to encourage staff volunteerism. As part of CapitaLand's efforts to recognise and acknowledge staff's social contribution as volunteers, CHF will donate S\$500 to a registered Singapore-based children's charity of the staff's choice if he/she has taken all three days of Volunteer Service Leave within the year. Thirty-seven staff qualified for this donation incentive for a total of S\$18,500 donated by CHF in 2012.

In 2012, 2,182 CapitaLand staff volunteered over 19,000 hours during work days to participate in various volunteering activities across Asia, achieving more than 100% increase in the number of hours volunteered as compared to 2011. CSR champions across various geographies within the company organised more community development activities to engage the staff and children beneficiaries. In Singapore, 40 children beneficiaries from TOUCH Community Services were invited to join CapitaLand staff at the annual family day event held at the Jurong Bird Park. Staff volunteers enjoyed chaperoning the children around the park for a day of fun. The detailed tracking of non-workday volunteer activities also contributed to a significant increase in volunteer hours, reflecting a strong staff volunteerism culture within the company. The company achieved about 17% staff volunteer participation rate Group-wide. This translated to an estimated salary cost of S\$376,000¹ borne by CapitaLand.



¹ 2012 calculations were based on standardised 8.5 hours in a work day and includes non-workday volunteer efforts

COMMUNITY

In 2012, CapitaLand staff volunteers interacted with over 35,000 children beneficiaries supported by CHF through more than 280 volunteering activities rolled out in Asia. Two international staff volunteer expeditions to China and Indonesia were organised in 2012 to engage staff in overseas community service projects. Twenty five staff volunteers spent almost a week at CapitaLand Longdong Hope School in Sichuan, China to set up a reading room, a library with a collection of 10,000 books as well as a dining hall. In Jakarta, 28 staff volunteers spent five days at SOS Children's Village immersing themselves in the activities and lives of the community with 137 children in the village.

Post-survey results from past overseas volunteer expeditions showed that 100% of the staff who volunteered felt proud working for a socially responsible company and had a stronger sense of belonging to the company after volunteering.



International staff volunteer expedition to CapitaLand Longdong Hope School, Sichuan, China



International staff volunteer expedition to SOS Children's Village, Jakarta, Indonesia

COMMUNITY

Social Integration

More than **50%** of CapitaLand properties meet all social integration criteria

75% of CapitaLand shopping malls and office buildings and mixed developments have community spaces

Close to **85%** of CapitaLand properties are located in proximity to transport hubs

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

8 Singapore projects achieved the new BCA Universal Design Mark

Social Integration of CapitaLand Properties

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

CapitaLand's social integration criteria include:

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

Such criterions are integrated into the CapitaLand's Green Buildings Guidelines (GBG) to ensure that they are considered right from the start of a development project.

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, 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 area
- Accessible (handicapped) parking lots, family lots
- Designated pedestrian lane in carpark
- Amenities such as accessible toilets, lifts and nursing rooms

COMMUNITY

CapitaLand champions the UD concept in Singapore with a member of senior management taking on the role of UD Ambassador with the Building and Construction Authority of Singapore (BCA). In 2012, BCA revised its UD Award to UD Mark, and CapitaLand achieved the largest number of UD Mark among real estate developers in Singapore, with eight UD Mark for four residential projects, one shopping mall, one commercial office and two integrated developments. Overseas developments are to comply with local UD/barrier-free codes and guidelines, and are encouraged to adopt BCA's UD Guide in the absence of local codes and guidelines.

A global review of CapitaLand's portfolio of completed and operational properties¹ was conducted for 2012. More than 50%² of the properties met all criteria for social integration.

More than 90% of CapitaLand properties worldwide have at least one disability access enabled facility. They include features such as accessible alighting and boarding bays, lifts, parking lots and public toilets.

About 85% of CapitaLand properties worldwide are conveniently located in proximity to transport hubs such as bus-stops and train stations. This allows easy access to the surrounding communities and facilities. Bicycle storage facilities are also provided at many of its developments. All CapitaLand mixed developments are well integrated with public transport facilities.

About 75% of CapitaLand's mixed developments, shopping malls and commercial buildings have atrium event spaces and/or children play areas which provide communal space to promote community engagement. Increasingly, family or nursing rooms have become common features at CapitaLand's shopping malls.

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

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

Engaging Stakeholders and Social Integration at the Design Stage **– Bedok Mall and Bedok Residences, Singapore**

Green Mark Platinum
Universal Design Gold^{Plus} (design)
Building and Construction Authority (BCA), Singapore

Located in the heart of the Bedok Town Centre, Bedok Mall and Bedok Residences are part of the first fully integrated retail-residential-transport development in the East of Singapore. Bedok Mall has over 200 shops spread across three floors from Basement 2 to Level 1. The mall's Basement 2 is directly linked to the Bedok MRT station, while the new air-conditioned Bedok bus interchange, is located above the mall on Level 2. The 583-unit condominium Bedok Residences, which sits above the mall, completes the integrated development.

Universal Design

Addressing the needs of families and the elderly living in the mature estate, Bedok Mall incorporates family-friendly features and services such as nursing rooms, family toilets and rental of strollers and wheelchairs. It also has a guide-dog friendly policy which allows the visually impaired to access and visit the shopping mall with ease. In addition, car park spaces are larger and provided with additional parking guides to allow for easier parking.

At Bedok Residences, communal recreational facilities with extensive landscaping are located at Levels 4 and 5. Ramps connecting both levels are integrated into the landscaping for the ease of residents' movement. The clubhouse is also equipped with family-friendly amenities such as children's toilets and a diaper station.

Connectivity

From the onset of the design, the project team worked closely with the Housing & Development Board (HDB) to integrate the development with the rest of the neighbourhood. This includes connectivity to the adjacent hawker centre – which is being turned into a town plaza – with three different ramped pathways that become part of the terracing landscape feature and are open to all for use.

A distinctive feature of this development is the integration of an indoor bus interchange at Level 2. To provide a convenient and comfortable passageway for commuters accessing the bus interchange from the MRT station, a new underpass that connects the existing MRT underpass to the mall's Basement 2 is added. In the mall, commuters can take lifts to the Level 2 bus interchange.

Stakeholder Engagement

Steps have also been taken to identify suitable access points for multiple uses of the development, and to optimise traffic flow. Together with Singapore's Land Transport Authority (LTA), an extensive Traffic Impact Assessment was carried out throughout the immediate vicinity to determine the most suitable access points for the different groups of users of the development, such as the shoppers, commuters, and buses accessing the bus interchange.



COMMUNITY

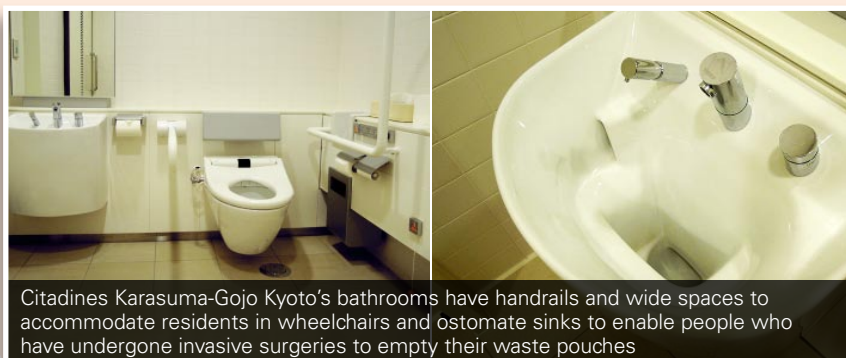
A Home away from Home for guests of varying mobility at Ascott's Serviced Residences

Citadines on Bourke Melbourne in Australia was designed to provide comfort and convenience for the less-abled residents. Braille signage can be found throughout the building to help visually-impaired guests find their way around the property. A lowered desk at the reception caters to guests in wheelchairs. There is also a pool lift to make the swimming pool accessible to less-abled guests. In addition, 15 apartments in Citadines on Bourke Melbourne are designed with wide corridors and special bathrooms to provide wheelchair access.



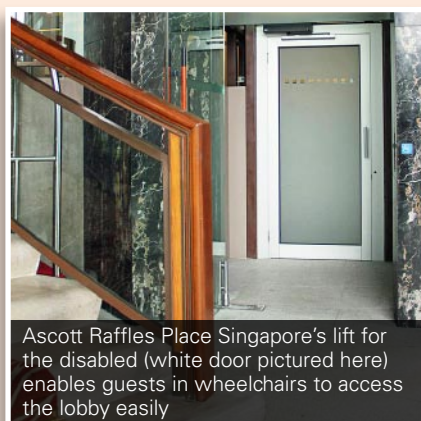
Braille signage and a lowered reception desk are just some thoughtful features put in place at Citadines on Bourke Melbourne for the less-abled residents

Similarly, in Japan, Citadines Karasuma-Gojo Kyoto offers wide bathrooms with handrails for wheelchair users. The property also installed ostomate sinks to allow guests who have undergone invasive surgeries to empty their waste pouches.



Citadines Karasuma-Gojo Kyoto's bathrooms have handrails and wide spaces to accommodate residents in wheelchairs and ostomate sinks to enable people who have undergone invasive surgeries to empty their waste pouches

In Singapore, Ascott Raffles Place provides a lift for residents in wheelchairs to access the lobby easily from the street level, without having to negotiate the stairs. All the lifts in the property have wide door frames to allow wheelchair access and lift buttons that are easily reachable from a seated position.



Ascott Raffles Place Singapore's lift for the disabled (white door pictured here) enables guests in wheelchairs to access the lobby easily

AWARDS & ACCOLADES

In 2012, CapitaLand Group and its properties clinched over 100 awards and accolades. Some of the awards and accolades are listed in pg 28-31 of the CapitaLand Annual Report 2012.

GRI INDEX

The GRI Content Index references CapitalLand Limited Sustainability Report 2012 and the Annual Report 2012 (AR).

Indicator	Description	Chapter/Report Page
1	Strategy and Analysis	
1.1	Statement from senior decision-maker	President and Group CEO's Message (pg 7-8), AR (pg 10-20)
1.2	Description of key impacts, risks and opportunities	Governance (pg 10-13), Environment (pg15, 22), People (pg 40-41), Community (pg 48-49), AR (pg 52-81)
2	Organisational Profile	
2.1	Organisation's name	Introduction (pg 3)
2.2	Primary brands and products	Introduction (pg 1)
2.3	Operational structure and major divisions	AR (pg 102-103)
2.4	Location of headquarters	Introduction (pg 3)
2.5	Countries of operation	AR (pg 88-89,116-135)
2.6	Nature of ownership and legal form	AR (pg 102-103)
2.7	Markets served	AR (pg 88-89, 116-135)
2.8	Scale of organisation	Introduction (pg 1), AR (pg 2)
2.9	Significant changes during reporting period	AR (pg 21-27)
2.10	Awards	Awards and Accolades (pg 62), AR (pg 28-31)
3	Report Parameters	
3.1	Reporting period	Introduction (pg 3)
3.2	Date of previous report	FY 1 January to 31 December 2011
3.3	Reporting cycle	Introduction (pg 3)
3.4	Contact point	Introduction (pg 3)
3.5	Process for defining report content	Introduction (pg 3)
3.6	Boundary of the report	Introduction (pg 3)
3.7	Limitations on the scope or boundary of the report	Introduction (pg 3), Environment (pg 20, 26-28), People (pg 44, 46)
3.8	Basis for reporting on other entities	Introduction (pg 3), Environment (pg 20, 26-28), People (pg 44-46)
3.9	Data measurement techniques and calculations	Environment (pg 26-28), People (pg 44,46)
3.11	Significant changes from previous report	None
3.12	GRI Content Index Table	GRI Index (pg 63-66)
3.13	External Assurance	Independent Assurance Statement (pg 68-70)

GRI INDEX

Indicator	Description	Chapter/Report Page
4	Governance, Commitments and Engagement	
4.1	Governance structure	AR (pg 52-81)
4.2	Chairman and Chief Executive Officer	AR (pg 34-37, 42,44, 53-56)
4.3	Independent directors	AR (pg 34-41, 53-58)
4.4	Communication with stakeholders	Introduction (pg 4-5), Environment (pg 15, 19, 23, 29-33), People (pg 38-39, 41, 45-48), Community (pg 51-57, 60), AR (pg 78-81)
4.5	Remuneration	Governance (pg 10), Environment (pg 15, 19-20), People (pg 34, 36-37, 41, 42), AR (pg 59-62, 70-71)
4.6	Conflicts of interest	AR (pg 52-55)
4.7	Composition, qualifications and expertise of directors	AR (pg 34-41, 53-55)
4.8	Mission and value statements	Introduction (pg 1, 4),Governance (pg 10, 12) Environment (pg 15, 20), People (pg 34-35, 41), Community (pg 49)
4.9	Board oversight of sustainability	Governance (pg 10-11),People (pg 36), Community (pg 49), AR (pg 62-63)
4.10	Board performance	AR (pg 58)
4.11	Internal control and audit	Governance (pg 11-13), Environment (pg 20-21), People (pg 42-43, 49), AR (pg 62-65)
4.12	External charters, principles	Governance (pg 10), Environment (pg 15), People (pg 34-35)
4.13	Associations and memberships	Introduction (pg 5), Governance (pg 10), Environment (pg 32), People (pg 34-35, 45)
4.14	List of stakeholder groups	Introduction (pg 4-5), Environment (pg 19,31-33), People (pg 38-39, 45-47), AR (pg 78-81)
4.15	Identification and selection of stakeholders	Introduction (pg 4-5), Environment (pg 19, 31-33), People (pg 38-39, 45-47), AR (pg 78-81)
4.16	Approaches to stakeholder engagement	Introduction (pg 4-5), Environment (pg 19, 31-33), People (pg 38-39, 45-47), AR (pg 78-81)
4.17	Issues raised through stakeholder engagement	Introduction (pg 4-5), Environment (pg 19, 31-33), People (pg 38-39, 45-47)
Economic Performance Indicators		
EC1	Direct economic value generated and distributed	Financial Performance (pg 9), AR (pg 3-4, 90-101)
EC8	Infrastructure for public benefit	Environment (pg 24-25), Community (pg 51, 60-61)
EC9	Indirect impact	Introduction (pg 4-5), Environment (pg 24-25), Community (pg 51, 58-61)

GRI INDEX

Indicator	Description	Chapter/Report Page
Environmental Performance Indicators		
EN3	Direct energy consumption	Environment (pg 27)
EN4	Indirect energy consumption	Environment (pg 27)
EN5	Energy saved	Environment (pg 27-28)
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy	Environment (pg 27-28)
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	Environment (pg 24-25, 27-28, 30-33)
EN8	Water consumption	Environment (pg 28-29)
EN9	Water sources affected	Environment (pg 28)
EN10	Water recycled and reused	Environment (pg 28)
EN11	Protected areas or areas of high biodiversity	Environment (pg 23)
EN12	Impact on biodiversity	Environment (pg 15, 19, 21-23)
EN13	Habitats protected or restored	Environment (pg 23)
EN14	Strategies, current actions and future plans for managing impacts on biodiversity	Environment (pg 15, 19, 21-23)
EN15	Protected sites	Environment (pg 23)
EN16	Direct and indirect greenhouse gas emissions	Environment (pg 26)
EN18	Initiatives to reduce greenhouse gas emissions	Environment (pg 15, 21, 22, 26-28,)
EN21	Water discharges	Environment (pg 28-29)
EN22	Waste management	Environment (pg 29-30)
EN23	Significant spills	Environment (pg 20)
EN25	Discharge and runoffs affecting protected water bodies	Environment (pg 23, 28)
EN26	Initiatives to mitigate environmental impacts of products	Environment (pg 15, 19, 21-25)
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Environment (pg 20)
Social Performance Indicators		
Labour Practices and Decent Work		
LA1	Workforce	People (pg 34-36)
LA2	Employee turnover	People (pg 37)
LA4	Collective bargaining agreements	People (pg 34,37)
LA6	% of staff represented in EHS committee	People (pg 40-43)

GRI INDEX

Indicator	Description	Chapter/Report Page
Social Performance Indicators		
Labour Practices and Decent Work		
LA7	Occupational injury	People (pg 44)
LA8	Education on workplace health and safety	People (pg 43)
LA10	Average hours of training	People (pg 37-38)
LA11	Skills management and lifelong learning	People (pg 37-38)
LA12	Performance and career development reviews	People (pg 36-37)
LA13	Diversity	People (pg 35-36), AR (pg 34-49)
Human Rights		
HR4	Non-discrimination	People (pg 34-35)
HR6	Child labour	People (pg 34)
HR7	Forced and compulsory labour	People (pg 34)
HR11	Remediation	People (pg 35, 38)
Society		
SO1	Local community engagement	Introduction (pg 4-5), Environment (pg 19, 31-33), People (pg 38-39, 45-47),
SO2	Risk analysis for corruption	Governance (pg 12-13)
SO3	Staff training in anti-corruption policies and procedures	Governance (pg 13),
SO4	Actions Taken	Governance (pg 13)
SO5	Public Policy	Introduction (pg 5), Governance (pg 10), Environment (pg 32), People (pg 45)
SO10	Local Community	Introduction (pg 4-5), Environment (pg 19, 31-33), People (pg 38-39, 45-47),
Product Responsibility		
PR1	Health and safety impacts	People (pg 41)
PR2	Non-compliance	People (pg 43)
PR5	Customer satisfaction	Introduction (pg 4)
PR6	Compliance	Governance (pg 12)

This report may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, 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.



Statement GRI Application Level Check

GRI hereby states that **CapitaLand Limited** has presented its report "CapitaLand Limited - Global Sustainability Report 2012" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level B+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 7 June 2013

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a large, faint watermark of the GRI logo.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The "+" has been added to this Application Level because CapitaLand Limited has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 28 May 2013. GRI explicitly excludes the statement being applied to any later changes to such material.

INDEPENDENT ASSURANCE STATEMENT

To the Management and Stakeholders of CapitaLand Limited:

Scope and objectives

Ere-S Pte Ltd [Ere-S] was commissioned by CapitaLand Limited [CapitaLand] to provide independent assurance of the CapitaLand Sustainability Report 2012 [the Report] covering the period January to December 2012.

The assurance engagement comprised a review of the figures, statements and Group-level activities disclosed in the Report. This included performance information, policies, procedures, data collection and calculation processes, and other underlying management systems. Assessment was carried out using the GRI G3.1 Principles for Defining Report Content (Materiality, Stakeholder Inclusiveness, Sustainability Context and Completeness) and Principles for Defining Report Quality (Balance, Comparability, Accuracy, Timeliness, Clarity and Reliability).

Level of assurance and limitations

A moderate (or limited) level of assurance was provided with desktop review, management-level data verification and evidence-gathering from internal sources. Consolidated information originating from overseas activities was assessed and where deemed necessary, evidence was traced down to business unit level. The verification did not include historical figures, financial data, technical descriptions of buildings, equipment and production processes or other information not related to sustainability or already supported by existing documents, such as third-party audits or certifications, CapitaLand Annual Report and previous CapitaLand Sustainability Reports.

Responsibility and independence

This statement represents Ere-S' independent opinion. The management of CapitaLand was responsible for the preparation of the sustainability report and all statements and figures contained within it. Ere-S' responsibility was to execute the assurance engagement, prepare the assurance report and this assurance statement for the management of CapitaLand alone and for no other purpose. Ere-S was not involved in the development of the Report or the disclosed management processes; neither has Ere-S been engaged by CapitaLand for other projects. Ere-S' activities are independent of CapitaLand and contain no financial interest in CapitaLand's business operations.

Assurance methodology

The engagement took place at CapitaLand's headquarters in Singapore and was carried out using the following methodology:

1. Identify and classify the statements and data sets according to the relevant data owners and the type of evidence required for the verification process.
2. Interview key departmental managers regarding the identified elements and assess their data collection and calculation methods, requesting evidence to substantiate the figures and claims. Data assessment includes:
 - Sampling at low level, where possible.
 - Looking at external sources such as press releases and web sites.
 - Crosschecking data with previous sustainability report and current annual report.
 - Confirming claims and evidence with multiple data owners, where possible.
3. Assess the collected information and provide recommendations for immediate correction where required or for future improvement of the Report content.

Findings and observations

Evaluation of the adherence to GRI Principles for Defining Report Content

Materiality

CapitaLand has in place processes to define and review issues that are material to the company. These processes include regular workshops, training session, management meetings and, in particular, the independent materiality assessment conducted recently to refine the company's key environmental, health and safety (EHS) issues.

INDEPENDENT ASSURANCE STATEMENT

In addition to EHS, additional information on other material aspects, such as labour practices, product responsibility and community impact, is disclosed in the report. The findings from our assurance work show that CapitaLand has internal key performance indicators and management processes to measure the performance in each of these aspects.

The Report would benefit from more coverage of performance related to human rights, especially for the company's overseas supply chain. The company's comprehensive and well implemented framework on occupational health and safety could be used as a premise for additional measurement performance in countries more prone to human rights issues.

Stakeholder Inclusiveness

CapitaLand's key stakeholder groups have been identified and evidenced by underlying stakeholder mapping processes. Improvement in the definition of key stakeholder groups is evidenced by the insertion in the Report of one new group in the list of key stakeholders, namely "Government/ National agencies/ NGOs".

For each stakeholder group, the Report includes a list of engagement approaches, which have been confirmed through the assurance process. Engagement and response to stakeholders such as employees, investors and customers is global. There is also evidence of interaction within the supply chain, such as contractors and suppliers, on EHS issues, and with the community and NGOs on philanthropic initiatives. The collaboration between CapitaLand and Singapore's Land Transport Authority and the Housing and Development Board in the Bedok Mall and Bedok Residences project, as described in this Report, represents a good local example of engagement with government authorities.

Future Reports will benefit from more detailed disclosure of inclusiveness and responsiveness with the company's stakeholder groups, especially in the company's overseas operations.

Sustainability Context and Completeness

In our opinion, the Report sufficiently covers the sustainability issues of the company in its global context. Performance indicators are provided for all key material topics and are in general disclosed for local and overseas operations, including the supply chain. For example, we have found evidence of management approaches, including processes for audit, training, feedback, measurement and reporting, applied at the company's strategic business units. This includes 4 additional countries which have been added to CapitaLand's ISO 14001 and OHSAS 18001 certification. Key performance indicators tied to remuneration cover performance relating to environmental, health and safety and human capital.

Environment, health and safety are the topics for which strategy, processes and action plans are most articulated in the Report. There is also comprehensive disclosure on philanthropic and volunteer initiatives.

This Report shows progress in CapitaLand's reporting of global performance. For example, accident rates units used in the Report now includes performance from China and paper consumption is now disclosed at group level. Most significant improvements are evidenced in the underlying processes of the Group's sustainability reporting framework, such as surveys and internal audits that were carried out to better understand energy and water management issues, and green features in operational buildings.

However, the Report still has some areas of varying disclosure from the different geographical business units of the Group. For example, Health and Safety data on the accident rates is only disclosed for some countries. Similarly, data on waste collection is currently not available for all properties.

Evaluation of the adherence to GRI Principles for Defining Report Quality

We believe the Report is sufficiently clear to allow readers access and understand the sustainability profile of CapitaLand. Despite minor differences in presenting the data in some charts, the content of the Report can be compared with previous versions. In addition, the new framework tables provide a valuable summary of the policies, KPIs and management processes in place.

The findings from our assurance provide confidence that the content of the Report presents an acceptable level of reliability and accuracy. During the interviews with the data owners and the verification of the provided data sources and calculation methods, we have only found minor inconsistencies, which were subsequently corrected by the reporting team.

INDEPENDENT ASSURANCE STATEMENT

We have seen further improvement in the collection and management processes of sustainability data collected from the different strategic business units of the Group. This year, more information was made available through data sets generated from the Environmental Tracking System and the Human Resource data system, particularly from overseas business units. These allowed a better examination of the data, calculation procedures and, where available, raw data sources, such as invoices and readings. We also commend the new ETS data audits carried out by the Technical Services Unit at six properties in China. These provide greater confidence in the reliability of the reported information.

Conclusion

In Ere-S' opinion, the information reported in CapitaLand's Sustainability Report 2012 provides a credible and fair representation of the Group's sustainability profile and a reasonable application of the GRI Principles. The assurance work undertaken provides confidence, within satisfactory limits, that the performance disclosure is supported by comprehensive and verifiable data and underlying management processes.

Moving forward

CapitaLand should aim to further level the disclosure of performance information between the headquarters and the overseas subsidiaries in the social dimensions, including labour conditions and human rights.

Additional targets in the social dimensions (LA, HR, PR or SO) would also add value to future reports. Ideally, these targets should be medium or long-term, applied globally and also tied to remuneration.

We acknowledge CapitaLand's effort to provide more balanced disclosure on cases that pin-point specific weaker performance. We encourage CapitaLand to continue to look for and report on such cases. This should be associated with remedial actions taken subsequently to align performance group-wide.

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

Singapore, 11 June 2013



Jean-Pierre Dalla Palma,
Director & Certified Sustainability Assurance Practitioner



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

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