

The Art of Building People

CapitaLand Limited
Sustainability Report 2011



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Introduction

Corporate Profile

CapitaLand is one of Asia's largest real estate companies. Headquartered and listed in Singapore, the multi-local company's core businesses in real estate, hospitality and real estate financial services are focused in growth cities in Asia Pacific and Europe.

The company's real estate and hospitality portfolio, which includes homes, offices, shopping malls, serviced residences and mixed developments, spans more than 110 cities in over 20 countries. CapitaLand also leverages its significant asset base, real estate domain knowledge, financial skills and extensive market network to develop real estate financial products and services in Singapore and the region.

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

Credo

Building for People to Build People
Building People to Build for People

Vision

- A world-class entrepreneurial, prosperous and lasting real estate company led and managed by people with core values respected by the business and social community.
- A leading real estate company in Asia, reputed for its innovative and quality real estate products and services.
- A company with a strong global network of long-term investors and blue-chip partners.
- A company which attracts, develops and retains a diversity of talents regardless of nationality, race or age.
- A company which consistently creates value for shareholders.

Mission

Our mission is to build a world-class company with international presence that

- Creates sustainable shareholder value
- Delivers quality products and services
- Attracts and develops 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.

10 Corporate Principles

- Our only business is real estate
- Focus, Balance, Scale
- Our 3 + 3 + 2 market asset strategy
- Entrepreneurship, Management, Technical (EMT) strength
- Financial Discipline
- Building People (our 12,000 employees)
- Looking after shareholders and be fair to all business stakeholders too
- Wider Group Interest (WGI)
- Corruption free
- Pragmatism

Introduction

Highlights

<p>Green Builder in Asia Pacific Frost and Sullivan Green Excellence Award in 2011</p>	<p>Global 100 Most Sustainable Corporations by Corporate Knights</p>	<p>Listed in Sustainability Yearbook 2012 for top 15% performing ESG companies</p>
<p>One of top 5 companies in Singapore for ESG by Reputex</p>	<p>Won for the 11th consecutive year the “Most Transparent Company (Property)” award by the Securities Investors Association Singapore (SIAS)</p>	<p>Zero whistle blowing cases</p>
<p>Increased operational efficiency (per m²) since 2008 with energy and water savings of 11.1%</p>	<p>Cost avoidance: in excess of S\$10.6 million for utilities since 2009</p>	<p>Over 1.4 million kilogrammes of recyclable waste collected during 2011 Green for Hope programme</p>
<p>ISO 14001 and OHSAS 18001 certified in 11 countries</p>	<p>Training hours of 58.1 per employee, well above recommended industry guide of 40 hours</p>	<p>Close to 80 different nationalities working in CapitaLand</p>
<p>About 50% of women in management position</p>	<p>More than S\$5 million donated by CapitaLand Hope Foundation in 2011</p>	<p>CapitaLand staff volunteered over 9,800 hours across Asia</p>

Introduction

About this Report

This report covers CapitaLand's international portfolio in over 20 countries over the period from 1 January to 31 December 2011 unless otherwise indicated. It uses the Global Reporting Initiative (GRI) G3.1 Guidelines and is published annually. The 2011 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 www.capitaland.com/csr/sustainabilityreport.

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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Introduction

Commitment to Our Stakeholders

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 our operational approach.

Having delivered a profit exceeding S\$1 billion for the sixth year in a row, we believe that the sustainability of our business depends on our people, our care for the community and the environment.



Stakeholder Engagement

Stakeholder	Issues/ Interest	Selected examples of our response
Customers	Cost of Housing	Provision of value housing in China and Vietnam
Shoppers	Shopping malls with family friendly facilities Easy access to public transport	Family rooms for young children to play Shuttle buses bring shoppers to train stations (Singapore)
Tenants	Opening of new shops/malls Learn from successful companies	Learning Hub in IMM where sample layouts improves retailer's understanding of environmental sustainability Retail Global Connexion 2011 (a forum launched to showcase successful retailers, to inspire other retailers and students and spur the development of the retail industry in Singapore)
Investors	Return on investment	Operational Efficiency Better tracking and declaration of monetary savings and cost avoidance.
Employees	More interaction between staff within a large organisation	BiC (Because I Care) exchange
Community	Education Environment	CapitaLand Hope Schools Recycling cum philanthropic programme Planting of trees and mangroves to prevent desertification and erosion in China and Vietnam

President and CEO's Message

Dear Stakeholders

CapitaLand is committed to building a sustainable better future for our stakeholders, not just for this generation, but for generations to come. We believe that when we build buildings, we build people too. It is with this mindset, guided by our credo, mission, vision and core values, that we conduct our business, interact with stakeholders and contribute to the wellbeing of our employees and the community in a responsible and ethical way.

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 funds. Our healthy financial position is reflected in CapitaLand achieving an annual net profit in excess of S\$1 billion for the sixth consecutive year in FY2011. Beyond robust financial performance, CapitaLand is vigilant in conducting its business and interacting with stakeholders in a fair and reasonable manner, maintaining the highest level of integrity at all times. This includes impeccable execution in our developments, maintaining aggressive financial discipline 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 developing green buildings and taking effort to minimise the impact our green buildings may have on the surrounding environment. We ensure our value chain of real estate developments are built and operated in an efficient and responsible manner. For instance, our home owners, shoppers, tenants and serviced residence guests benefit from better indoor air quality, resource efficiency as well as lush greenery found at our properties. In raising awareness towards environmental protection, we engage stakeholders and members of the public through our Building A Greener Future Programme.

Besides, going green also makes good business sense. In 2011, we achieved 11.1% reduction in energy and water consumption per square metre, compared to year 2008. This computed to cost avoidance in excess of S\$10.6 million for utilities since 2009 for the Group, helping to mitigate against global escalation of utility costs.

Our people are our best asset. Building people to their highest potential galvanises our competitive advantage. We have over 12,000 staff Group-wide and a diverse talent pool of close to 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 such as the principles of focus, balance and scale; financial discipline; looking after shareholders (both majority and minority) and being corruption free. We train and develop our staff, equipping them for the competitive business environment through programmes offered by our own CapitaLand Institute of Management and Business (CLIMB), Ascott Centre for Excellence (ACE) and Innovation, Creativity, Entrepreneurship (ICE) initiatives. Our average training hours of close to 60 hours per staff is well above the recommended industry guide.

We believe in the Asia growth story and aim to continue enhancing and value-adding to the growth of cities especially in emerging economies in Asia. Understanding the needs of our core markets is fundamental to our business and we remain steadfast in building quality homes, offices of international Grade A standards, shopping malls that cater to the people's needs for organised shopping and serviced residences that offer comfort to the travelling public.

As we expand our real estate footprint and deepen our presence in key Asian markets, we are committed to contribute positively to the communities we operate in. To meet the shelter, education and healthcare needs of underprivileged children in communities CapitaLand operates, our philanthropic arm, CapitaLand Hope Foundation (CHF), donated over S\$15 million as of end-2011 since its formation in 2005. Today, we have 21 CapitaLand Hope Schools, in operation or under development, in remote areas of China to provide a conducive learning environment for children. In 2011, we completed our first Vietnam Hope School, CapitaLand Nang Yen Primary Hope School in Phu Tho Province, one of the poorest mountainous provinces in the country. Under our Kids' Food Fund (KFF) programme, we also improved food security and nutrition of more than 12,000 underprivileged children in Singapore, China, Vietnam, the Philippines and Thailand. In Singapore, our Green for Hope creative recycling programme has been effective in educating our tenants, shoppers and serviced residence guests, as well as primary schoolchildren, on the importance of protecting the environment and helping those in need. CHF donated over S\$1.7 million to benefit underprivileged children across Singapore through the Green for Hope programme in 2011.

President and CEO's Message

For our efforts, CapitaLand was recognised as a corporate sustainability leader and listed on the 2011 Global 100 Most Sustainable Corporations in the World by Corporate Knights and the Sustainability Yearbook 2012, and was one of three Singapore companies in the Dow Jones Sustainability Asia Pacific Index 2011.

We are committed to be a good corporate citizen and invite our stakeholders to work hand in hand with us to benefit the communities where we operate. Together we can build a sustainable company with a soul.

Liew Mun Leong
President and CEO
CapitaLand Group



(From right) Mr Liew Mun Leong, President and CEO, CapitaLand Group; Singapore President Dr Tony Tan Keng Yam and Mrs Tan; Ms Jennie Chua, Chief Corporate Officer, CapitaLand Limited, with children beneficiaries of CapitaLand Hope Foundation, the philanthropic arm of CapitaLand.

Financial Performance

CapitaLand achieved net profit of S\$1.06 billion in 2011. This marks the sixth consecutive year that CapitaLand has delivered net profit exceeding S\$1 billion. 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 2011 financial results, five-year financial summary, economic value added statements and value added statements, please refer to the following sections in the CapitaLand Annual Report 2011:

- Financial Highlights, pg 3
- 5-year Financial Summary, pg 4
- Performance Review, pg 68-77
- Economic Value Added Statements, pg 134
- Value Added Statements, pg 135

Governance

Won for the 11 th consecutive year the “Most Transparent Company (Property)” award by the Securities Investors Association Singapore (SIAS)	Zero whistle blowing cases reported	100% staff sign the CapitaLand Pledge annually
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CapitaLand observes a high standard of corporate conduct in line with the Principles of the Singapore Code of Corporate Governance 2005. In 2011, CapitaLand won a number of awards and accolades for its good corporate governance performance and transparency, investor relations and stakeholder communications including winning the Most Transparent Company (Property Category) by the Securities Investors Association Singapore (SIAS) for the 11th consecutive year. Winners were nominated by fund management firms, stockbroking and research houses, and media. They were assessed over a year, based on criteria such as timeliness of corporate disclosures, frequency, clarity and substantiality of their announcements, as well as their willingness to reveal information to analysts and the media.

CapitaLand also clinched the Best Corporate Governance and Best Managed Company in the FinanceAsia Best Companies Poll 2011 (Singapore) following a tally of votes from investors and analysts across the region.

For detailed disclosure on the application of its corporate governance practices, please refer to CapitaLand Annual Report 2011, pg 44-55.

Risk Assessment Management

Risk assessment and management is an integral part of the strategic and operational decision-making process at all levels within CapitaLand Group.

Since CapitaLand's inception in 2000, a comprehensive risk management framework has been formalised across the Group. In 2002, a Risk Committee comprising independent board directors was formed as part of CapitaLand's efforts to strengthen its risk management processes and framework.

For more information regarding Risk Management in CapitaLand, please refer to the CapitaLand Annual Report 2011, pg 50-51 and pg 130-131.

An Environmental Impact Assessment (EIA) is carried out during the feasibility stage of any development project. The EIA will highlight any environmental impact and preventive or remedial actions required for the project to move forward. This is an integral factor in the investment decision making process and 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 air quality, noise, floods, biodiversity, connectivity, heritage and resources.

Internal Audit

CapitaLand's Internal Audit department plays a key role in safeguarding shareholders' interests and the Group's assets. It reports directly to the Chairman of the CapitaLand Limited's Audit Committee (AC) and administratively to the Group Chief Financial Officer. The AC also meets with the Internal Audit department at least once a year without the presence of Management. For more information, please refer to the CapitaLand Annual Report 2011, pg 49-51.

Governance

Operations Compliance

The Operations Compliance Unit (OCU) formulates standards and ensures the right business ethics and conduct are maintained throughout the Group. It oversees the CapitaLand Operations Compliance Programme to instill business ethics and conduct, and inculcate a corruption-free culture. The Operations Compliance Working Committee was formed to review and deliberate on compliance policies and procedures for implementation across Strategic Business Units (SBUs) in the Group; and with guidance from the Operations Compliance Steering Committee.

The Policy and Procedure on Business Malpractice Incidents (BMIs) Reporting was formulated to facilitate SBUs' line/functional managers to report any BMI discovered in their workplace or in the course of their work directly to their CEOs. Another development was the incorporation of an anti-corruption clause in the SBUs' service contracts or agreements with service providers and vendors.

In 2011, CapitaLand with the assistance of an external consultant, KPMG Risk Consulting and with the participation of the business and corporate executive heads, carried out an exercise to consolidate and review the Group's risk register which identifies the key risks facing the Group and the internal controls in place to manage or mitigate those risks. Internal and external auditors conduct audits that involve testing the effectiveness of the material internal control systems in the Group including, testing, where practical, material internal controls in areas managed by external service providers. Any material non-compliance or lapses in internal controls together with corrective measures recommended by the internal and external auditors are reported to the Audit Committee. The system of internal control and risk management is continually being refined by Management, the Audit Committee and the Board.

Based on the framework established and the reviews conducted by Management and the internal and external auditors, the Board opines, with the concurrence of the Audit Committee, that there are adequate controls in place within the Group addressing material financial, operational and compliance risk to meet the needs of CapitaLand in its current environment.

Code of Conduct

CapitaLand has comprehensive ethics and code of business conduct policies which covers all employees and touches on topics such as confidentiality, conduct and work discipline, protocol to observe in contact with external parties, corporate gifts and concessionary offers.

Clear policies and guidelines are in place on how to handle harassment and grievance. CapitaLand's Whistle Blowing Policy provides an official and trusted avenue for employees who wish to report valid concerns about malpractice or impropriety in the workplace. Mr Liew Mun Leong, President and CEO of CapitaLand Group, in a personal email, assured that management would take this source of feedback and follow-up action very seriously. In 2011, the Audit Committee confirmed that no reports were received under the Whistle Blowing Policy thus far.

These policies are made easily available to all staff on the intranet.

Strong Anti-Corruption Stance

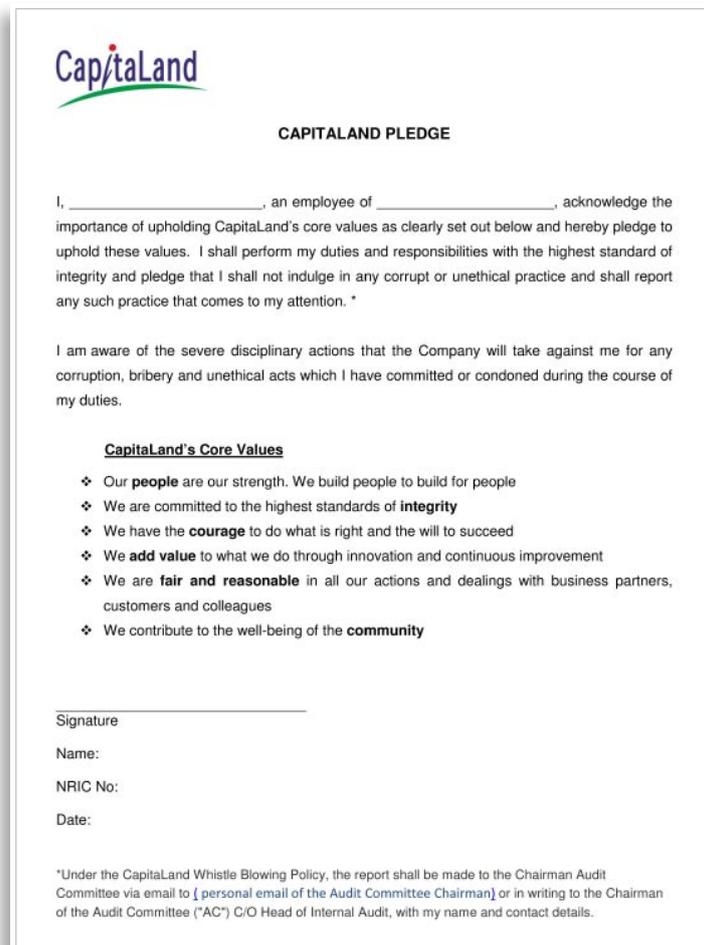
CapitaLand has implemented additional initiatives to ensure that all staff understand the Group's core values and principles that shape the way the Group works and functions. This is a compulsory module in the CapitaLand Immersion Programme for new staff from different countries. There is also a specific training course in Singapore on "Strengthening Core Values" where specific examples and applications of core values in the workplace are shared. As a majority of CapitaLand staff are based in China, this training module has been offered there. For more information, please refer to Human Capital – Learning and Development.

Another initiative to ensure that all employees maintain the highest standards of integrity in their work and business dealings, CapitaLand implemented the signing of a CapitaLand pledge on an annual basis by all staff. A copy is kept in the HR department in the respective personal files. For China based colleagues, a Chinese version of the pledge is made available for their annual acknowledgement.

Governance

In recognition of CapitaLand's unwavering anti-corruption stance, President and CEO Mr Liew Mun Leong was invited as a panelist speaker at the "Partnering Up-Fighting Corruption in Public Procurement" with other speakers such as Stephen Zimmerman, Director of Operations, Integrity Vice Presidency, World Bank. This was at the conference entitled "Joining Forces Against Corruption: G20 Business and Government"¹ jointly organised by the French Presidency of the G20² and the OECD and supported by United Nations Office on Drugs and Crime (UNODC) in 2011.

In his regular emails to the employees, Mr Liew reiterated his position that "CapitaLand is a corruption free company and all of us have to sign a yearly pledge to enforce it. Indeed clean business is central to our business strategy. Corruption causes leakages to our profits and erodes the moral fabric of our society. It is a cancer in any society or organisation and will spread dangerously if no action is taken to fight it. It must be an integral part of CapitaLand's DNA and core value that the company and its people remain strictly corruption free."



The image shows a document titled "CAPITALAND PLEDGE" with the CapitaLand logo at the top left. The text of the pledge is as follows:

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.

CapitaLand Pledge

¹ In November 2010 in Seoul, the G20 Heads of State and Government adopted an ambitious Anti-Corruption Action Plan that specifically calls for public-private partnerships for developing and implementing initiatives to fight corruption together. The public and the private sector recognise that corruption threatens the integrity of markets, undermines fair competition, distorts resource allocation, destroys public trust, and undermines the rule of law. The conference aimed to address these problems by bringing G20 businesses and governments together to examine best practices and other forms of business engagement in combating corruption and to consider how G-20 corporations could share their on-going efforts.

² The G20 is an informal group of 19 countries and the European Union with representatives of the International Monetary Fund and the World Bank.

Environment

Increased operational efficiency (per m ²) since 2008 with energy and water savings of 11.1%	Cost avoidance in excess of S\$10.6 million for utilities since 2009	Operational efficiency of over 230 CapitaLand properties, corporate offices and construction sites globally being tracked
ISO 14001 certified in 11 countries	All main contractors appointed in 2011 are ISO 14001 certified	Zero environmental non-conformance
Primary school recycling increased 80% with Green for Hope programme since 2008	Over 1.4 million kilogrammes of recyclable waste collected during 2011 Green for Hope programme	220 properties participated in WWF initiated Earth Hour

Commitment

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

- Identify and respond to climate change risk and minimise its environmental footprint;
- Manage resource use and waste responsibly;
- Manage biodiversity with the aim to contribute positively to the natural environment; and
- Engage our stakeholders to play their part.

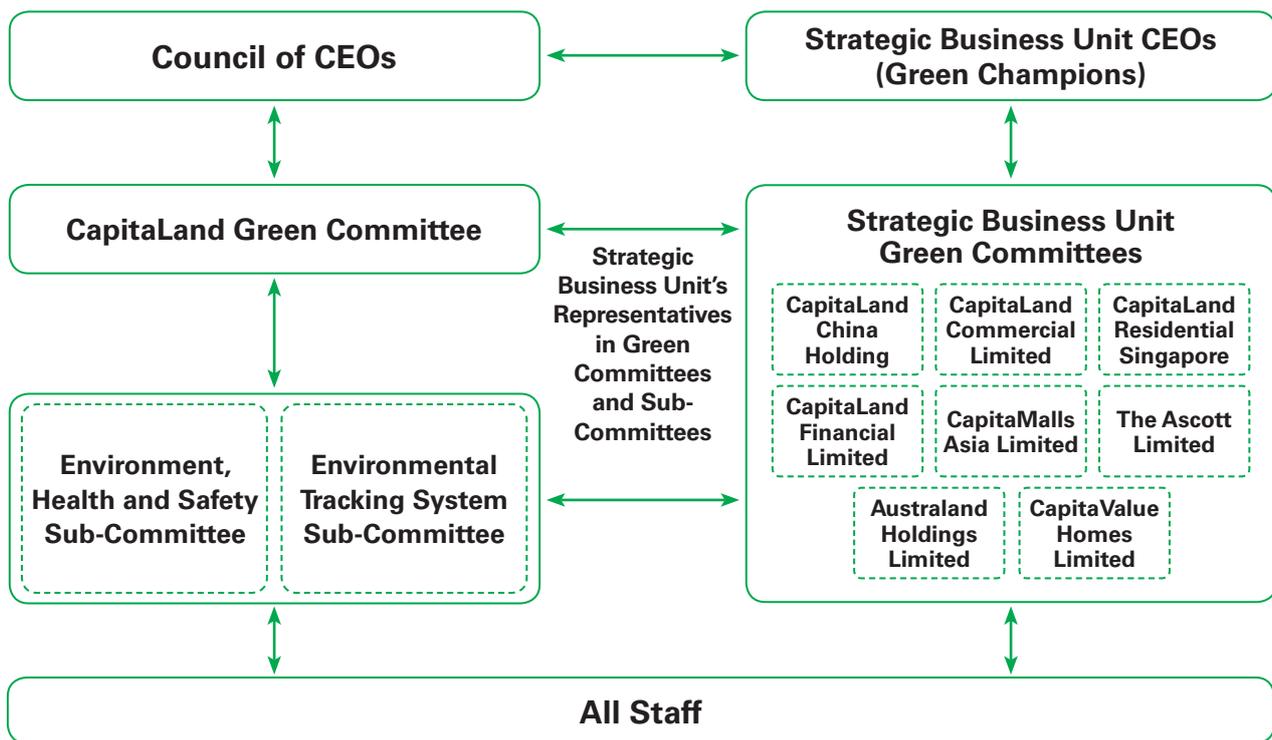
Commitments	Method/Action Plan
Identify and respond to climate change risk and minimise its environmental footprint	<ul style="list-style-type: none"> • Environmental Impact Assessment (EIA) • Green ratings for new buildings (Key Performance Indicator – KPI) • Greening existing portfolio (KPI) • Green operations – through Environmental Management System (EMS) Standard Operating Procedures (SOPs) • Improve operational efficiency through targets setting and tracking with Environment Tracking System (ETS) (KPI)
Manage resource use and waste responsibly	<ul style="list-style-type: none"> • Green rating for new buildings (KPI) • Greening existing portfolio (KPI) • Green operations – EMS SOPs • Improve operational efficiency through targets setting and track with ETS (KPI) • Promote Building Information Modelling (BIM) and Design and Build (DB) • Stakeholder engagement (KPI)
Manage biodiversity with an aim to contribute positively to the natural environment	<ul style="list-style-type: none"> • EIA • Stakeholders consultation • Special Projects
Engage our stakeholders to play their part	<ul style="list-style-type: none"> • Community Engagement Programme "Building a Greener Future" (KPI)

Environment

Top Management Commitment and Staff Participation

CapitaLand top management form the CapitaLand Green Steering Committee, which is chaired by the Group President and CEO. CEOs from each Strategic Business Unit (SBU) are appointed as the SBU Green Champions and are responsible for the green performance within the business unit. CapitaLand Green Committee is chaired by a senior management and comprises senior management level representatives from all strategic business units (SBUs), and representatives from corporate departments such as Technical Services Unit (TSU), the CapitaLand Institute of Management and Business (CLIMB) and Corporate Social Responsibility department (CSR). Each SBU will also have its own Green Committee to drive initiatives in countries where it operates with support from various departments. Staff participation is also encouraged.

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



Key Performance Indicators Tied to Remuneration

CapitaLand strives to future-proof its property portfolio against a changing environment and more discerning consumers, investors and staff. To this effect, CapitaLand has incorporated Key Performance Indicators (KPIs), which are linked to remuneration for all its staff including top management.

With rising utilities cost, the Group managed to achieve cost avoidance of more than S\$10.6 million¹ from utilities savings since 2009.

Some Milestones

Global Real Estate Sustainability Benchmark (GRESB) 2011

Top 5 in Asia for Environmental Management System

Green Builder of the Year

2011 Frost & Sullivan Asia Pacific Green Excellence Award

Build Environment Leadership Awards 2009 (Gold Class)

Building and Construction Authority

Watermark Award 2009

PUB, Singapore's Water Agency

Top Achiever, Singapore Environmental Achievement Award (SEAA) 2007/08

Singapore Environment Council

¹ This is based on year-on-year computation of 128 properties in 2009, 142 in 2010 and 148 in 2011. Properties excluded were those undergoing asset enhancement initiatives and new properties which were newly opened. Savings is computed by multiplying the absolute energy (kWh) and water (m³) savings against the annual average tariff rate for Singapore.

Environment

Managing Our Environmental Footprint

CapitaLand's Environmental Management System (EMS) is a key tool in managing the Group's environmental footprint across its global 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) and audited to the ISO 14001 standards and OHSAS 18001 standards respectively, by the same third-party accredited certification body. 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 and SBU Green Committees double up as EHS Committees for the Group and SBUs respectively. They are responsible for establishing the Group's EHS Management System in the countries where CapitaLand operates.

A key element of CapitaLand's EMS is identifying and managing relevant environmental aspects and impacts. CapitaLand strives to minimise impacts such as resource depletion, green house gas (GHG) emissions and waste generation. This is done by setting green building rating targets; setting energy, water and paper usage reduction targets, and implementing various measures to achieve them. These targets are linked to the remuneration to all staff including the top management.

As part of the certified EMS, new or updated legal requirements are reviewed quarterly and compliance is evaluated annually. In 2011, CapitaLand complied fully with the environmental laws and regulations in Singapore, Australia, China, France, India, Japan, Malaysia, Philippines, Thailand, Vietnam and United Kingdom (UK). There was no environmental non-conformance or occurrence of significant spills by the company².

The Group will achieve ISO 14001 certification for its EMS on a global scale³ by November 2012.

Structure of Environmental Footprint Management to Achieve Goals



CapitaLand ISO 14001 certificate

² This is effectively tracked through the quarterly EHS updates by all SBUs.

³ This excludes countries where CapitaLand does not have any investment projects.

Environment

CapitaLand Environmental, Health and Safety Policy

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.

Effective Resource Management

Green Building Rating

Green building rating targets are set at the outset of CapitaLand projects⁴. Since 2011, 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), 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. From 2012, the green rating target for iconic projects outside Singapore will be set at one level above minimum certification.

Setting green rating targets at the outset of the project aids resource management as green rated buildings are more resource efficient to construct and to operate.

CapitaLand signed the Green Pledge initiated by BCA, Singapore to show the Group's commitment to achieve Green Mark certification for its existing stock of properties by 2020. It aims to extend the greening of its existing buildings globally.

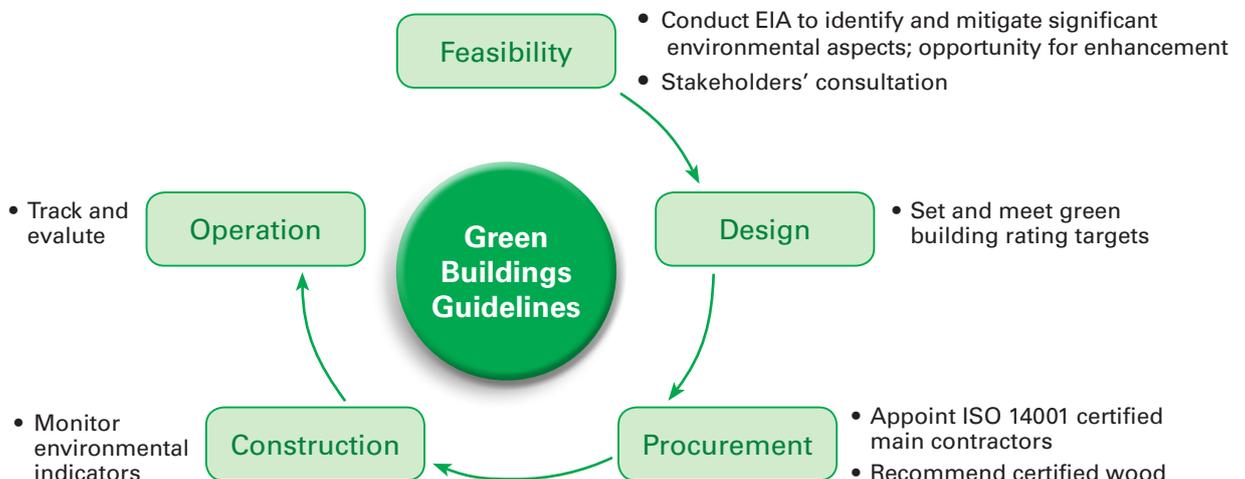
Green Buildings Guidelines

Green ratings form part of the Green Buildings Guidelines (GBG) – 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 to operation. It is regularly reviewed to ensure continuous improvement. Changes included higher green building rating requirements, increased focus on biodiversity, use of certified wood and design for accessibility.



Green Pledge – To “Green” Existing Buildings by 2020 (Singapore)

Life Cycle Management – from Inception to Operations



⁴ This is for new projects or development projects with GFA of at least 2,000 m².

Environment

Another key component of the GBG is the mandatory Environmental Impact Assessment (EIA).

Environmental Impact Assessment

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 air quality, noise, floods, biodiversity, connectivity, heritage and resources.

Biodiversity

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.

CapitaLand is committed to preserving the biodiversity of its sites 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. In several Singapore residential developments, effort was made to conserve and protect trees located on site during the construction stage.

Since 2011, CapitaLand has encouraged the use of certified wood, for projects which use wood. The Ascott Limited has implemented Green Procurement Guidelines which recommend green products to procure (e.g. bamboo flooring as bamboo is a sustainable source) for the outfitting of its serviced residences.

Some concerns to biodiversity could be flow out of waste or toxic materials from properties. As CapitaLand has implemented its EMS, this flow out (e.g. waste water), is monitored and minimised if any.

To demonstrate its commitment to enhancing biodiversity for the communities in which it operates, CapitaLand has undertaken the following activities (for more information, please refer to "Engaging our Community – WWF Initiative – Earth Hour"):

- In China, a tree planting activity was organised in Black Iron Mountain to restore trees lost during deforestation under the "Add a Tint of Green for Earth" Programme to share the message of forest conservation.
- In Vietnam, CapitaLand planted two hectares of mangrove forest at Thanh Tri in Nga Nam District, 250 kilometres from Ho Chih Minh City.

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. Singapore will receive a pair of male and female Giant Panda cubs from China in 2012.

Educational programmes on wildlife conservation awareness will also be specially designed for underprivileged children supported by the CapitaLand Hope Foundation.

Environment

Measuring Our Performance

2011 Environmental Targets and Performance

	Targets	Performance
Supply Chain Management	All main contractors appointed to be ISO 14001 certified	12 (100%) main contractors appointed in 2011 are ISO 14001 certified
Resource Consumption Management	All new development projects to meet the green rating target set <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 	Achieved <ul style="list-style-type: none"> • 40 Green Mark Awards in Singapore • 14 Green Mark, 3 LEED, 1 LEED (India), 1 CASBEE and 1 Green Star overseas (In 2012, it will be raising the green targets for iconic ⁵ overseas projects to target one level higher than certification, by a green rating system administered by a national government ministry/agency or a Green Building Council recognised by WGBC) Take into biodiversity considerations at relevant sites
Operational Efficiency	By 2015, to reduce energy and water usage per m ² by 15% By 2020, to reduce energy and water usage per m ² by 20% (using 2008 as the base year)	Achieved 11.1% energy savings and 11.1% water savings per m ² (using 2008 as the base year)
Stakeholder Engagement	Organise green outreach activities to encourage a green mindset among staff and stakeholders	Organised green outreach activities as part of CapitaLand's Building A Greener Future Programme Introduced Green Reward to recognise outstanding performance within the company (In 2012, to launch Green Award to acknowledge the outstanding performance by external parties)

The above targets have been incorporated as Key Performance Indicators (KPIs), affecting remuneration for all staff in the Group.

CapitaLand updated its in-house Environmental Tracking System (ETS) to better track the 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 each property to submit monthly data online and the consolidated data is analysed at the SBU and Group level with reference to the reduction targets set – allowing a better understanding of consumption patterns and identification of areas for eco-efficiency improvements.

In 2012, ETS will include tracking of energy and water usage of CapitaLand construction sites as well as energy and paper consumption at its corporate offices worldwide.



CapitaLand Environment Tracking System

⁵ Iconic projects refer to Raffles City developments, Grade A offices and projects involving star architect.

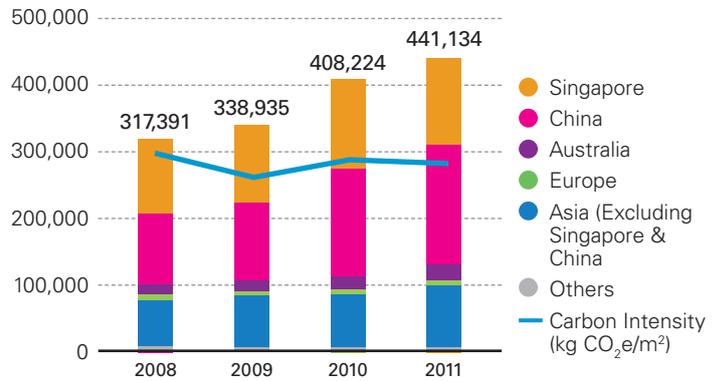
Environment

Carbon Emissions

In 2011, CapitaLand's total carbon emissions increased to 441,134 tonnes (Scope 1 – gas, Scope 2 – purchased electricity), which is attributed to the increase in the company's portfolio of operational buildings⁶.

CapitaLand is committed to addressing climate change through reduction of its energy consumption as well as its other CO₂ emission in its business operations. From 2012, emissions data for global operating properties and corporate offices will be reported in a manner consistent with ISO 14064 methodology⁷.

Total CO₂ Emissions⁸
(tonnes CO₂e)



CapitaLand Eco-Efficiency Commitments

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

Long Term Energy and Water Reduction Target (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 Conservation

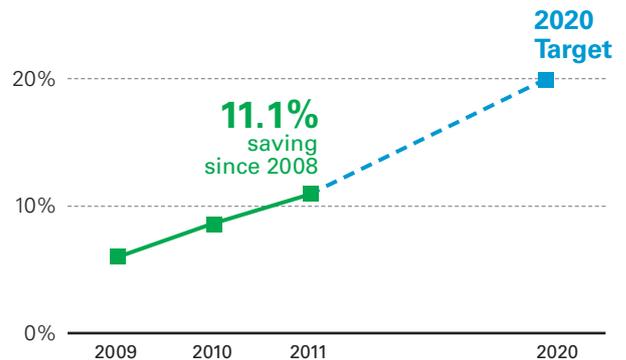
In 2011, the Group's total energy consumption was 717,926 MWh. Despite an increase in total energy use due to expansion in portfolio, CapitaLand has reduced its energy intensity measured in kWh per square metre by 11.1% from baseline year 2008.

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 Indicator (KPI) for the property managers and the SBU CEOs.

CapitaLand continues to implement various energy conservation measures to reduce energy consumption in its properties including;

- Ascott serviced residences, replacement of air-conditioners to more energy efficient models
- CMA shopping malls, replacement and overhaul of chillers and condenser tube cleansing for operating efficiency
- Other measures include replacing halogen lights with LED lighting, installing motion sensors, light sensors and using variable speed drives (VSD) for chillers to reduce energy usage for cooling systems

% Reduction of Energy Intensity⁹
(2008 as base year)



⁶ The Group's portfolio of operational properties increased from 142 properties in 2008, 167 properties in 2009, 182 properties in 2010, to 195 properties in 2011.

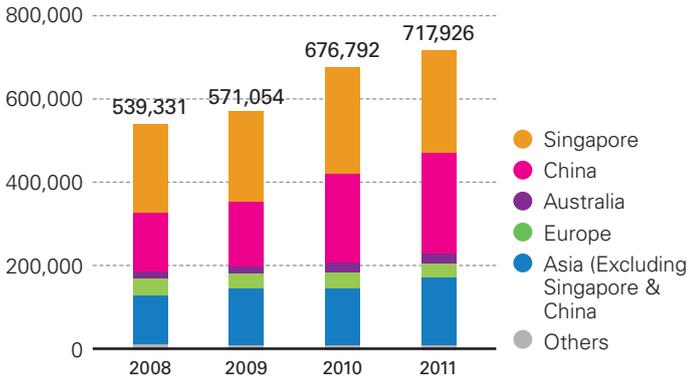
⁷ ISO 14064 specifies principles and requirements at the organisation level for quantification and reporting of greenhouse gas (GHG) emissions and removals.

⁸ The Group calculated its CO₂ emissions using individual country CO₂ emission factors retrieved from the IEA Statistics – CO₂ emission factors from fuel combustion 2010 edition. Data from previous years has been updated, as measurements from additional properties have been made available and updated emission factors have been applied.

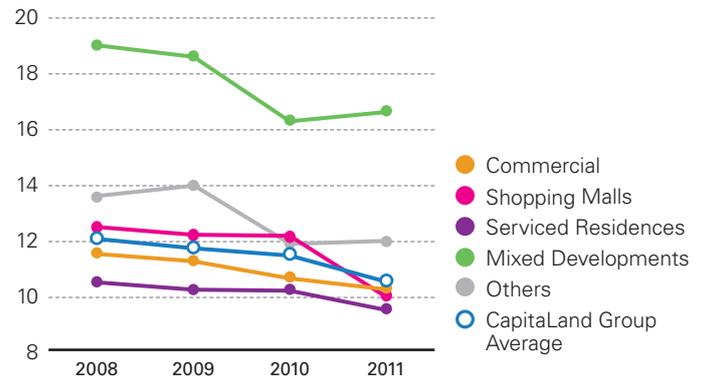
⁹ Computation of energy intensity excludes new properties which have been in operation for less than 12 months, properties undergoing asset enhancement programmes and corporate offices. The number of properties are 129, 145, 152 and 174 for the four years.

Environment

Energy Usage
(MWh)



Energy Intensity
(kWh/m²/month)



Water Consumption

In 2011, the Group's total water consumption was 7.6 million m³, largely attributed to the expansion in property portfolio. In 2011, CapitaLand reduced its water intensity measured in m³/m² by 11.1% from baseline year 2008.

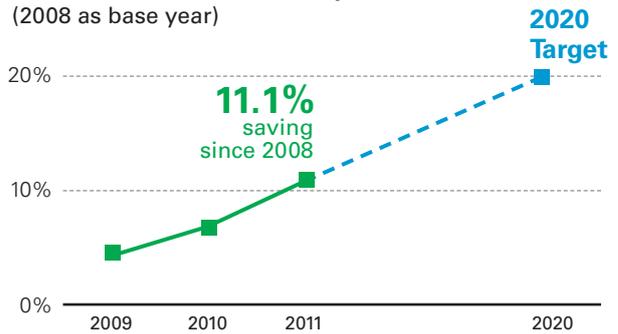
The reduction in water usage per square metre (with 2008 as the base year) is computed at the property and SBU level. This forms a critical part of the Key Performance Indicator (KPI) for the property managers and the SBUs.

To ensure efficient operations and minimise water wastage, CapitaLand carries out

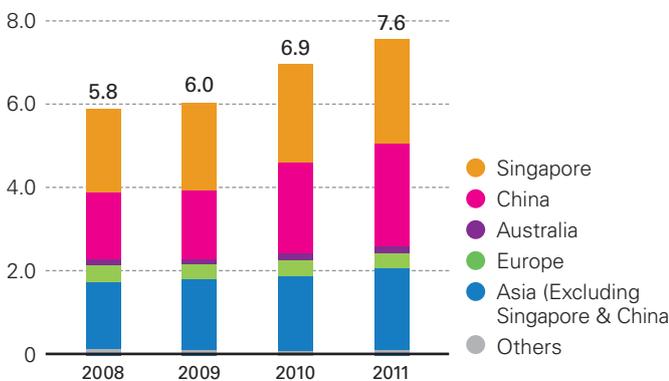
- Regular maintenance and periodic upgrading of its facilities.
- Implementation of water conservation measures such as installing flow regulators for the water fittings at its properties wherever possible, and installing features such as waterless urinals and rainwater harvesting system to reduce the consumption of municipal water.

All CapitaLand operational properties' water consumption is derived from municipal supplies.

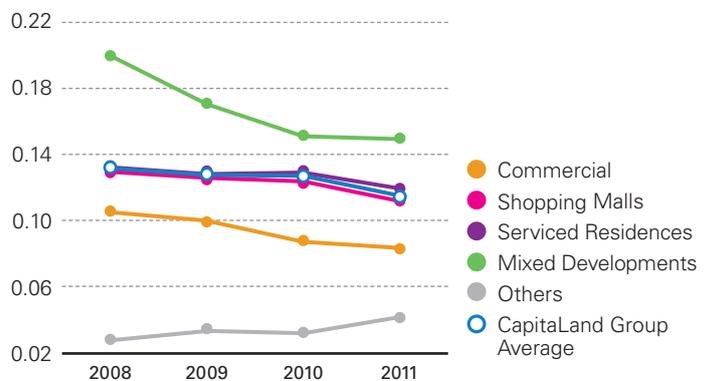
% Reduction of Water Intensity¹⁰
(2008 as base year)



Water Usage
(million m³)



Water Intensity
(m³/m²/month)



¹⁰ 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 and 169 for the four years.

Environment

Energy and Water Usage at Construction Sites

CapitaLand tracked the energy and water usage of its 22 residential projects, 2 commercial projects and 5 mixed development projects under construction in Singapore, China, Vietnam and Abu Dhabi in 2011. The data was obtained from main contractors. The construction activities of these 29 projects consumed a total of 36,957 MWh of energy and 1.2 million m³ of water.

In 2012, CapitaLand plans to report on the energy and water consumption of construction sites in more countries.

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 all its malls for easy access to shoppers. In Singapore, it has implemented a unique recycling and philanthropic programme called Green for Hope to encourage recycling. For more details of this programme, please refer to Green for Hope under the Engaging Stakeholder chapter.

In 2011, more than 35.5 million kilogrammes of waste was generated at 21 Singapore properties and 20 serviced residences in Asia, Europe and Middle East.

With regard to construction projects, CapitaLand requires its main contractors to implement proper waste management procedures to minimise construction waste, and that generated waste be properly managed and disposed. 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. BIM can perform clash detection before construction – identify situations where mechanical and electrical (M&E) pipes will clash with structural members. This detection saves time and cost of remedial work which also entails material wastage.

Green Demolition at JCube, Singapore

Formerly known as Jurong Entertainment Centre, this building was demolished for the re-development of the Green Mark Platinum JCube. A systematic process was undertaken to facilitate and maximise resource recovery of demolition materials for beneficial reuse and recycling prior to and during demolition.

A pre-demolition audit was carried out to ascertain the type and quantity of waste generated and the salvageable materials/equipment such as generators, chiller units and electrical cables and switchgears. This was followed by sequential demolition and on site sorting of materials to be delivered to approved disposal facilities for further processing into recycled products and aggregates for reuse or recycling.

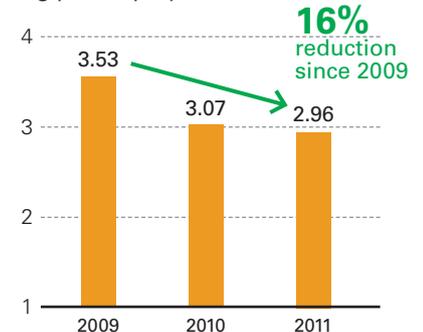
Paper Usage in CapitaLand Corporate Offices

At CapitaLand corporate offices in Singapore, CapitaLand achieved a paper usage reduction of 16% per employee compared with 2009. The savings were attributed to the conscious effort by every employee to reduce paper usage.

At these offices, paper accounts for the main stream of waste generated. To reduce its 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 use of e-mails, e-fax, 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 online and help to reduce paper consumption. The CapitaLand HR Information System (CHRIS) has been implemented in Singapore where staff leave and claims are applied and approved online. Moving ahead, HR processes such as staff appraisal will be moved into the CHRIS system. CHRIS is currently being implemented for overseas offices.

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 since 2006 and with Forest Stewardship Council (FSC) paper in 2011. Biodegradable soy-based ink from renewable resources, which is less damaging to the environment, was also used to print the annual report.

Corporate Office Paper Usage (kg per employee)



Environment

Engaging Our Community

Beyond developing environmentally sustainable properties, and operating them using best practices, CapitaLand understands the important role that the 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.

Stakeholder	Positive Impact
Home Owners	Lower utility bills, better living environment
Tenants	Better indoor environment resulting in increased productivity ¹¹ Branding associated with a socially responsible building
Shoppers	Better indoor environment resulting in a healthier shopping experience
Investors	Operational efficiency, cost avoidance
Government	Provide industry feedback. Future-proof the company against new legislation

CapitaLand participates actively in the Singapore government's efforts towards environmental protection and climate change.

The Green Committee Chairman continued his commitment as a member of the BCA Green Mark Assessment Committee.

CapitaLand was a founding sponsor of the Singapore Green Building Council (SGBC), whose work complements and supports the government's efforts to accelerate the greening of buildings by 2030. The CapitaLand Green Committee Advisor serves as the Treasurer and is a member of the Executive Committee. CapitaLand co-chaired the SGBC's Strategy, Membership and Communications Committee (SMC) to aid the council's work in these areas.

Australand, a listed entity of CapitaLand, was the Gold Sponsor of Green Star-Communities rating tool by the Green Building Council of Australia (GBCA). Its staff assisted in the development of this rating tool. The objective of this rating is to establish a framework for sustainable large scale community development projects across Australia.

CapitaLand is also a member of the Singapore Compact for CSR.

CapitaLand's Comprehensive Stakeholder Engagement Programmes



¹¹ Study by Sustainability Victoria and the Kador Group on Pre- and Post-Occupancy after refurbishment at 500 Collins Street in Melbourne with improved Indoor Environmental Quality (IEQ) found a 39% reduction in number of sick days per month by employees and 44% reduction in cost of sick days per month.

Environment

CapitaLand's Building A Greener Future programme was launched in May 2008 as a community engagement programme. Some of the unique programmes that CapitaLand has implemented are shown below.

Green for Hope

In Singapore, CapitaLand engaged all staff, tenants and the community in recycling during its annual Green for Hope programme – Green for Hope @ CapitaLand and Green for Hope @ Primary Schools. Green for Hope is a creative recycling programme at CapitaLand properties and primary schools, combining CapitaLand's philanthropy efforts with environmental sustainability. For every kilogramme of recyclable waste collected, CapitaLand Hope Foundation (CHF) donates S\$2 to underprivileged children in Singapore. More than 1.4 million kilogrammes of recyclable waste was collected in 2011 during the Green for Hope programme. Please refer to Community Chapter for the donations amount.

Green for Hope @ CapitaLand

In 2011, a total of 24 CapitaLand office buildings, shopping malls and serviced residences took part in Green for Hope @ CapitaLand, involving staff, tenants, shoppers and serviced residence guests in this programme. More than 850,000 kilogrammes of waste were collected for recycling.

Green for Hope @ CapitaLand will be progressively extended to CapitaLand overseas properties, starting with 4 properties in Malaysia in 2012.

Green for Hope @ Primary Schools

Reaching out to the wider community, Green for Hope @ Primary Schools encouraged primary school children to start recycling from young. Every kilogramme of recyclable waste collected by the students helped 'earn' S\$2 to each school's student welfare fund. In 2011, additional donations were given to the top three performing schools and to schools that collected more than 5,000 kilogrammes of recyclables.

Green for Hope @ Primary Schools achieved 100% participation by all 179 primary schools in 2011 and collected more than 500,000 kilogrammes of recyclable waste. The programme had not only promoted recycling in schools but had also encouraged schools to rally parents and the surrounding community on collection of recyclable waste during this programme, as evident from the increase in recycling rate.

- 80% increase in total amount of recyclable waste collected since 2008
- 56% increase in the average amount of recyclable waste collected per school since 2008

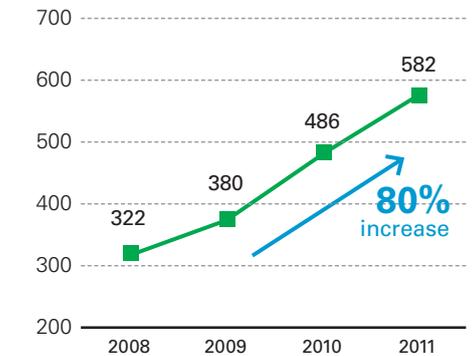
“*The CapitaLand Green for Hope campaign is a very meaningful effort that has been effective in promoting recycling and contributing to worthy causes such as assisting needy students and underprivileged children. Waste minimisation and recycling enable us to boost resource efficiency and transform waste into resource. I would like to congratulate CapitaLand for their commendable efforts.***”**

Mr Andrew Tan, CEO of the National Environment Agency, Singapore

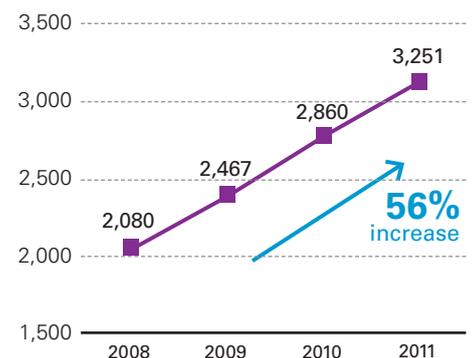
“*Our pupils were all excited when we announced that our school took top position. They felt proud of their achievement and have promised to work harder this year to sustain the top spot again. We collect can ring tabs which can be used to make prosthetic leg for amputees, and even organic food waste for vermi-composting in our school. We've linked the recycling efforts to our school values of being gracious, responsible and public-spirited.***”**

Arivalagan Rajangam, Subject Head of Character Education at Greenridge Primary School

Total Recyclable Collected by Participating Primary Schools
(‘000 kg)



Average Amount of Recyclables Collected Per School
(‘000 kg/school)



Environment



Students, teachers and parents worked together at Loyang Primary School to collect recyclable waste



Greenridge Primary School topped the collection for Green for Hope @ Primary Schools in 2011

// I feel happy taking part in the recycling project because I can save the earth and I am excited and glad that my family is joining me in this meaningful activity. //

Angeline Tan, 7 years old student at Loyang Primary School

WWF Initiative – Earth Hour

220 CapitaLand's properties across Asia and Europe participated in Earth Hour 2011 by turning off all façade and non-essential lights through the night on 27 March 2011. It is the 4th year that CapitaLand participated in this global movement to raise awareness against climate change.

CapitaLand's efforts for Earth Hour went beyond the hour 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.



Tree planting in Black Iron Mountain, China to restore trees lost during deforestation



Young children with the chopstick tree and other works of art which were all created from used disposable chopsticks

Environment

CapitaLand Wear Less Day

In Singapore, CapitaLand launched its inaugural Wear Less Day campaign on the eve of Earth Hour 2011. Staff and tenants supported the efforts to save energy by dressing down for work on that day as air-conditioning temperature at CapitaLand properties were turned up to 25°C. The campaign was accorded the WWF Singapore's Participation Award for Most Creative Campaign.

// *Countries and cities around the world are taking action to lower their greenhouse gas (GHG) emissions and we applaud the unique projects undertaken here in Singapore such as Wear Less Day in support of Earth Hour. By encouraging people to take a simple action, the hope is that people from around the world will realise how easy it is to reduce the amount of GHGs they produce in their daily actions. We can all make a difference.* //

HE David Sevigny, High Commissioner of Canada to Singapore, a tenant of One George Street

// *This is a positive initiative by CapitaLand to engage us in a collective effort to save energy consumption.* //

Mr Yutaka Oinuma, Director of The Japan Council of Local Authorities for International Relations, Singapore Representative Office, a tenant at Six Battery Road



Green Rewards and Awards

CapitaLand has implemented Green Rewards in 2011 to recognise staff for outstanding green performance. This includes exceeding the energy and water savings target at the properties, and achieving outstanding green building rating awards. A unique category is Green Innovation which rewards staff for implementing a Groupwide, impactful process or programme which resulted in manpower and resources savings, as well as minimising the company's impact on the environment. The iTrack programme by CapitaMalls Asia allowed them to leverage technology to manage their operations in real time and cut down on paper consumption and travel costs.

CapitaLand values the inputs by its external stakeholders and will be launching its inaugural CapitaLand Green Awards 2012 to recognise its tenants, main contractors and service providers for their outstanding performance or collaboration with CapitaLand in its environmental initiatives.

Environment

Green Showcases

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

Raffles City Hangzhou, China

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

Raffles City Hangzhou is an integrated development under construction, comprising a retail podium and two towers of office spaces, residential and hotel.

Connectivity and Green Transport

Located near the Jiangjin Road Subway Station (under construction), the development promotes green transport by providing more than 2,600 secure bicycles lots (including changing and shower facilities) and dedicating almost 100 parking spaces for low carbon-emitting and fuel-efficient vehicles.

Eco-efficiency

The development incorporates passive energy efficiency features such as high performance glass and green roof to provide better insulation, hence reducing heating and cooling energy requirements. The design promotes the use of natural lighting and ventilation. Together with energy efficient equipment and lighting, and heat recovery systems, the total operational energy usage is expected to be reduced by 14%¹², which is about 11.3 million kWh/year.

40% potable water reduction¹³ (estimated 56,900m³/year) will be achieved by using water saving sanitary fixtures and rain water collection and recycling of condensate water from the cooling system.

Overall, this project will result in utility savings of RMB 11.5 million¹⁴ (\$2.3 million).

Biodiversity

The selection of native and climate tolerant plants for its landscaping reduces irrigation water requirements by 50%. The rainwater and condensate water recycling system is used for the landscaping irrigation needs.

Sustainable Building Material

Regionally sourced materials were extensively chosen, e.g. concrete, glass, window frames, reinforcements, and products made with recycled materials were used during construction.

Stakeholder engagement

Green building education will be implemented after construction completion, including signage to educate occupants and visitors of the building's green features and environmental benefits as well as a tenant fitting-out guideline to encourage tenants to adopt environmentally sustainable behaviour.



¹² 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).

¹³ This is compared with US Energy Policy Act of 1992 fixture performance requirements.

¹⁴ This is based on electricity tariff rate of RMB 1.34/kWh, RMB 1.04/kWh and RMB 0.39/kWh during peak, mid-peak and non-peak period respectively and water tariff rate of RMB 3.50/m³.

Environment

Junction 8, Singapore

**(Retrofitting an 18-year old building)
Green Mark Platinum
Building and Construction Authority (BCA),
Singapore**

Connectivity and Green Transport

Located next to the Bishan MRT interchange station and bus interchange. Dedicated car parking spaces for hybrid cars are provided to promote the use of hybrid cars among tenants and visitors.

Eco-efficiency

Redesign of the air-conditioning system with high efficient chillers, pumps and cooling towers has improved the system's efficiency to 0.65kW/ton, a 30% improvement. Installation of variable speed drives (VSD) for all pumps and cooling towers and an auto condenser tube cleaning system has optimised the overall system's efficiency. High accuracy metering was put in place to monitor and control air-conditioning system operations to maximise efficiency.



CO₂ (carbon dioxide) sensors were installed at all air handling units (AHUs) to automatically adjust fresh air supply rates according to demand.

Extensive lighting system retrofitting has improved lighting efficiency by more than 40%¹⁵. LED lights were used in common areas such as lobbies, corridors and toilets. Motion sensors and light sensors were installed to further enhance energy savings.

To conserve water usage, 'excellent' rated¹⁶ water fittings were installed at the retail and commercial blocks and will contribute to water savings of more than 22,500m³ per year. Finishes at the toilets were coated with titanium dioxide, which has self-cleansing properties. Water sub-metering was implemented for cooling towers and irrigation to minimise wastage.

The carpark guidance system facilitates drivers in locating the parking spaces, reducing vehicle movements and the amount of CO₂ (carbon dioxide) and CO (carbon monoxide) generated by the cars.

For these sustainability initiatives, the project is expected to achieve energy savings exceeding 2.5 million kWh and considerable water savings of more than 22,500m³ annually, resulting in estimated savings of about S\$650,000¹⁷ per year.

Landscaping

Extensive greenery at roof terrace and green column at level 1, enhancing greenery in the urban landscape. The development only uses compost recycled from horticulture waste as fertiliser.

Sustainable Building Material

Building products certified under the Singapore Green Labeling Scheme (SGLS) such as recycled gypsum boards, recycled wall tiles, drainage cells and recycled timber decking for the roof garden were used.

¹⁵ This is compared to Singapore Standards, SS530.

¹⁶ Water fitting are rated 'good', 'very good' or 'excellent' for its water efficiency under the Water Efficiency Labelling Scheme, administered by PUB, Singapore's national water agency.

¹⁷ This is based on 2011 average electricity tariff rate of S\$0.26/kWh and water tariff rate of S\$1.17/m³.

Environment

357 Collins St, Australia

**(Redevelopment of a 43 year old building)
4 star Green Star Office Design v3
Targeting a 5 star NABERS Energy rating**

Sustainable Construction (Recycling)

Reuse of an existing structure to significantly minimise embodied energy compared to new construction. Committed to re-using or recycling 80% of construction waste (by weight). 60% of all steel (by mass) specified was reused or contained a post-consumer recycled content greater than 50%.

Eco-efficiency

Energy saving initiatives include high performance glazed facade, low volume low temperature variable air volume (VAV) system, low energy lighting design, efficient lifts with destination control and energy metering.

The project is expected to achieve energy savings of about 4.3 million kWh and water savings of 10,700m³ per year¹⁸, or estimated cost savings A\$530,000 (S\$689,000) per year¹⁹.

Indoor Air Quality

Use of low toxic materials to improve indoor air quality. A dedicated tenant exhaust riser is specified to remove indoor pollutants from printing and photocopy areas.

Connectivity and Green Transport

Bicycle storage, shower and locker facilities will be provided to encourage alternative transport options in addition to convenient access to a range of public transport options.



¹⁸ Estimated energy and water savings is computed comparing to a typical 2.5 star rated building.

¹⁹ This is based on electricity tariff rate of A\$0.15/kWh, gas tariff rate of A\$7.40/GJ and water tariff rate of A\$2.85/m³.

People

Human Capital

Training hours of 58.1 per employee, well above recommended industry guide of 40 hours	Invested 1.7% of payroll in training	Close to 80 different nationalities working in CapitaLand
About 50% of women in management position	Zero known reports of discrimination	Performance linked remuneration

CapitaLand recognises the importance of managing and developing its staff. Its credo of 'Building People' articulates the Group's commitment to training its employees to achieve optimal performance by aligning their personal goals with the company and creating a positive work environment where everyone can contribute effectively. People are integral to the success of the company. CapitaLand has incorporated Key Performance Indicators (KPIs) for all employees, including senior management, to develop a talented, motivated and healthy workforce. This is CapitaLand's integrated human capital strategy.

The top management often emphasises the importance of human capital and it being a competitive edge for the company. CapitaLand Group President and CEO Mr Liew Mun Leong serves on the Governing Council of Human Capital Leadership Institute which helps organisations accelerate leadership development and strategic human capital management capabilities in Asia, for a globalised Asia.

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 signed the Employers Pledge for Fair Employment Practices with The Tripartite Alliance for Fair Employment Practices (TAFEP)¹ and is committed to the five key principles of fair employment as follows:

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

In 2011, there were no known reports of any incidence of discrimination by its employees in Singapore and globally.

CapitaLand is committed to maintaining harmony in labour relations. CapitaLand also upholds the spirit of international human rights conventions, such as the Universal Declaration of Human Rights and the International Labour Organisation Conventions, against discrimination in any form and coerced labour.

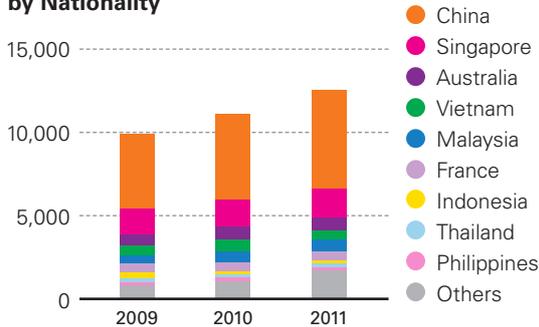
As an international company, CapitaLand embraces diversity in various aspects including different cultures, nationalities and languages. CapitaLand believes that regardless of ethnicity, age or gender, employees can make a significant contribution based on their talent, expertise and experience.

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.

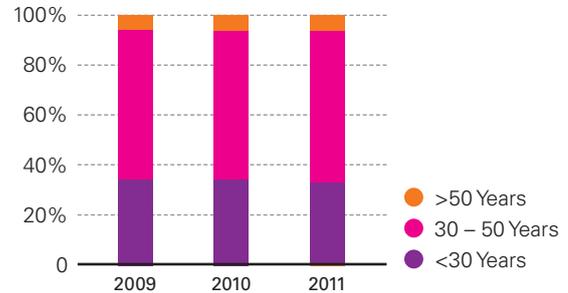
People

CapitaLand makes a conscious effort to recruit people at different points in their careers to ensure depth and breadth in its talent pool. More than 65% of the CapitaLand global workforce is between the age of 30 and 50.

Diversity: Global Workforce by Nationality



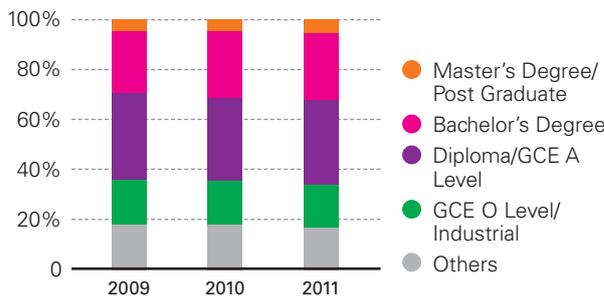
Diversity: Global Workforce by Age



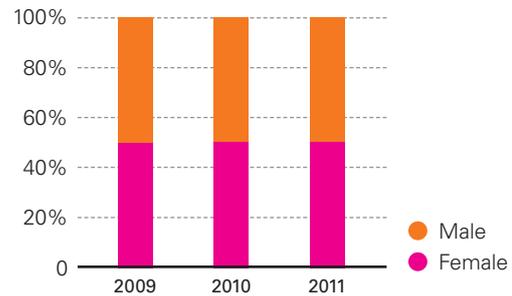
CapitaLand's vibrant, motivated and qualified workforce has given the Group a competitive edge. Over 65% of its employees hold tertiary qualifications and above (this includes holders of diploma, and bachelor's and master's degree qualifications).

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 3 years, almost 50% of the managerial employees are female. In 2011, over 30% of top management comprised females with five of them holding top positions such as CEO within the Group².

Diversity: Global Workforce by Education



Fairness: Global Workforce by Gender



Talent Management

CapitaLand seeks innovative, dynamic and talented employees to take the company into its next phase of growth. It adopts a performance driven, total rewards approach in motivating and rewarding its employees by offering comprehensive and market-competitive compensation and benefits, as well as a work environment that enhances employees' well-being.

CapitaLand adopts a two-pronged approach to manpower planning; developing internal talent and hiring mid-career and industry veterans. CapitaLand's compensation packages and strategies, which include short-term cash bonuses and long-term equity-based reward plans, are benchmarked against different markets to ensure competitiveness. This is contingent on achieving performance targets.

To ensure business continuity, CapitaLand continuously build its management bench strength through succession planning and identification of high-potential talent. The remuneration of the board of directors and key executives are tied to their efforts in building the management bench strength and also in the development of key executives.

At the board level, the Executive Remuneration and Compensation Committee (ERCC), conducts succession planning review for the key positions in the company including the post of the President and CEO and selected key positions in CapitaLand. On an annual basis, suitably qualified candidates, from both internal and external sources are reviewed and

² Jennie Chua, Chief Corporate Officer, CapitaLand Limited, Lynette Leong, CEO, CapitaCommercialTrust, Sharon Lim Hwee Li, CEO, CapitaMalls Malaysia REIT Management, Wong Jen Lai, Chief Investment Officer, CapitaLand Residential Singapore and Leong Soon Peng, Chief Technology Officer, CapitaLand Limited.

People

kept in view in the light of immediate, medium term and longer term needs and readiness. For more information, please refer to page 48 of the CapitaLand Annual Report 2011 .

For the period under review, some of the key executives that came on board the CapitaLand team included Arthur Lang, Group Chief Financial Officer, and Wilson Tan, Deputy Chief Executive Officer of CapitaMall Trust Management Limited.

To ensure that CapitaLand remains competitive and continues to attract and retain the right talent, it engages external HR consultants relevant to respective markets. CapitaLand engaged HR consultants, Mercer and Carrots, to benchmark the company against different markets and to innovate its compensation strategies. All regular full-time employees, including those on secondment and contract, undergo an annual performance review where there is an open discussion on the employee's performance which includes topics such as possible career moves and recommended training plans.

Young talents from local and overseas universities are also recruited into the group through CapitaLand scholarships. These include the CapitaLand–Building and Construction Authority (BCA) Scholarship, CapitaLand-National University of Singapore-USP Scholarship, CapitaLand International Scholarship and CapitaLand-Singapore Ministry of Manpower National Human Resources Scholarship. CapitaLand's Talent Incubation Programme continues to place young and promising employees on short attachments within the Group. Apart from undergraduates and fresh graduates, mid-career professionals as well as industry veterans are brought on board to further strengthen and harness the company's competitive advantage.

CapitaLand values its workforce and its staff turnover has remained at the healthy range of 21%-22% for the last 2 years. More than one third of the employees globally have been with the Group for five years or longer. The company also surveys employees leaving as part of its continuing efforts to improve its retention policies and initiatives.

CapitaLand is committed to keeping jobs for its employees. During the economic downturn in 2009, CapitaLand did not resort to retrenchment measures. Instead, CapitaLand encouraged the employees to leverage the lull period to upgrade their skill sets for operational readiness when the market recovered. The company also took the initiative to review and improve processes. To keep jobs, CapitaLand implemented a Group-wide pay cut with top management leading the way with a 20% wage reduction. Staff pay was restored in December 2009 when the economy recovered from the downturn.

Industrial Relations

CapitaLand and the union enjoy a cordial working relationship, promoting working conditions and improving productivity for the mutual benefit of the employees and the company. Currently, about 17% of its global workforce is covered by collective bargaining agreements.

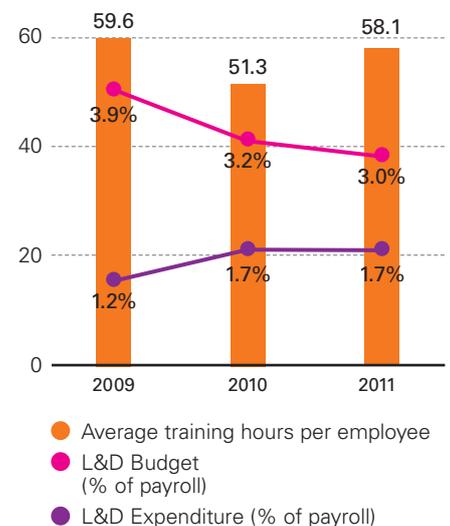
Learning and Development

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. As a guiding principle, 95% of workforce are expected to attend at least one learning event per calendar year. In 2011, the average number of training hours completed by each employee for the year was 58.1 hours, well above the recommended industry guide of 40 hours per annum.

Mr Liew Mun Leong personally conducts classes for senior management, reflecting top management's commitment to continuous learning and development.

Launched in 2006, its training hub, CapitaLand Institute of Management and Business (CLIMB), has provided over 8,350 training places for employees from various countries. As part of its talent management programme, CapitaLand encourages employees to upgrade themselves by attending courses relevant to their work. Employees are also granted paid examination leave for their studies. For full-time staff, examination leave is up to 10 days per calendar year.

Investing in Staff
(hours)



People

With close to half of the company's workforce based in China, CapitaLand organised core programmes such as the CapitaLand Immersion Programme and the Core Values and 10 Corporate Principles programme, to inculcate the right values and knowledge for its employees to stay relevant and ahead of the competition.



Senior management making time to 'Build People'

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 Mr Liew Mun Leong, and the senior management team are able to communicate and interact with staff. These sessions are also webcast live to CapitaLand offices in Singapore and other countries. During these staff communication sessions, Mr Liew not only disseminates the company results and articulates key business strategic thrusts, but also answers a range of questions posed by the staff. Staff are able to send in their questions beforehand, to be answered during the session. Mr Liew also communicates with staff through regular emails and encourages staff to provide feedback directly to him.

CapitaLand practices 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 Company. Employees can also raise their concerns to a higher level of management or the Human Resource Department. In this regard, the company also welcomes staff suggestions on any forms of improvement. These include feedback on building facilities, services or maintenance, suggestions that promote entrepreneurship and innovation to grow new businesses and ideas on how to improve operations and manage costs creatively. The CapitaLand Counselling & Advisory Panel (CAP), established since 2010, provides an additional avenue for employees to seek advice, guidance, coaching and counselling on any work or career related matters.

When there are changes in HR policies, emails are sent to employees to enable them to understand the new or revised procedures in detail and to help address any queries or doubts. Employees can also refer to the CapitaLand intranet to find out the details of the Company's terms and conditions of employment, benefits, HR policies and practices including the Whistle-Blowing Policy and the Code of Business and Ethical Conduct.

CapitaLand commissioned an inaugural Employee Engagement Survey (EES) in 2010. Towers Watson, an independent consultancy firm, was appointed to administer the survey and ensure confidentiality and solicit honest responses from the staff. Close to 90% of the Group's 12,000 staff in over 20 countries participated in the survey.

People

In response to the feedback gathered through the EES, focus groups were established to follow up on the areas for improvement. More than 50 focus group sessions in more than seven countries were organised. This involved more than 300 focus group participants who brain-stormed more than 100 recommended action plans.

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

Feedback	Initiatives
Encourage employees to voice their views or give suggestions freely and to alleviate any concerns of speaking up	<ul style="list-style-type: none"> • Launch of the “Because iCare” journey on 20 May 2011. Aims to rejuvenate and create a positive work environment. • Launch of Because iCare Awards. Aims to recognise staff for consistently displaying “Because iCare” moments by speaking up constructively and/or listening emphatically, contributing to our journey in creating a positive work environment. • BiC Exchange, a new interactive portal for employees to share ideas and experiences with each other. Creates another avenue for employees to speak up through social media. Piloting in Singapore. • iConnect, a quarterly newsletter to update all staff on the latest developments in the company.
Training – Employees requested for more training opportunities	<ul style="list-style-type: none"> • E-Campus, an on-line learning tool for employees globally. E-campus offers more than 200 different programmes.

ICE (Innovation, Creativity and Entrepreneurship)

For CapitaLand, innovation, creativity and entrepreneurship are key success factors that help differentiate the Group from its competitors. The ICE (Innovation, Creativity, Entrepreneurship) programme was started in 2006 to be the “entrepreneurial glue” that harnesses CapitaLand’s real estate strengths – deep market and real estate domain knowledge, financial engineering skills, strong management bench and robust balance sheet – into one powerful whole. This initiative aims to tap the innovative enterprising mindsets of all staff.

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. To date, over 1,000 employees from Australia, China, Japan, Malaysia, the Philippines, Singapore, Thailand and Vietnam have shared ideas at 32 ICE camps in more than 10 cities. Various ICE initiatives have been implemented.

From an ICE Camp to a Family Lounge at Plaza Singapura, a Singapore shopping mall

During a CapitaMallsAsia ICE Camp, staff explored creative initiatives to grow the next generation of shoppers and to pursue new family-friendly business practices aligned with Plaza Singapura’s family-oriented tenant mix and strategies. Implemented in 2011, the family lounge provides a space for parents to park their strollers, for children to play, as well as for husbands/fathers to rest and surf the internet while the wives/mothers are shopping at our malls. Parents can also take this opportunity to bond with their children by engaging in activities together at the family lounge. In this way, shoppers can shop with a peace of mind and at the same time, their kids will be entertained with many meaningful activities, board games, Xbox and cable TV. Plaza Singapura partnered with Golden Village Cineplex to offer discounted ticket price for families and those with children. Elderly parents can also join in for the movies as arrangements had been made to allow the elderly to exit the cinema from the entrance for a shorter walk.

People

Health, Well Being and Safety

OHSAS 18001 certified in 11 countries	Zero staff work-related fatality or permanent disability or occupational diseases
All main contractors appointed in 2011 are OHSAS 18001 certified	Zero OHS non-conformance in 2011

Commitment Towards a Safe and Healthy Workplace

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

CapitaLand is committed to

- Reducing occupational injury rates with the aim to achieve zero harm;
- Meeting and exceeding OHS legal requirements;
- Providing a robust OHS Management System;
- Promoting a culture of individual ownership and responsibility for OHS management;
- Seeking proactive support and participation from CapitaLand's stakeholders including top management, all employees, contractors, suppliers and tenants; and
- Driving continuous improvement in OHS performance

In Singapore, CapitaLand has been an active participant in the national drive towards workplace safety as a member of the Workplace Health and Safety (WSH) Council (Construction and Landscape) Committee.

Top Management Commitment and Staff Participation

CapitaLand champions OHS with top management commitment and staff participation through an integrated EHSMS and stakeholder engagement activities. Please refer to the management structure and EHSMS on page 12 in the Environment Chapter.

Key Performance Indicators Tied to Remuneration

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

People

Robust Occupational Health and Safety (OHS) Management System

CapitaLand's approach to health and safety is guided by its Occupational Health and Safety (OHS) Management System, which was established in Singapore in 2009 and has since extended to Australia, China, France, India, Japan, Malaysia, Philippines, Thailand, Vietnam and the United Kingdom (UK), comprising over 90% of CapitaLand portfolio. This OHS management system has been externally audited by a third-party accredited certification body to OHSAS 18001 standards, a recognised international standard for Occupational Health and Safety Management Systems. CapitaLand plans to achieve certification for its global businesses by 2012³. (Australand has been certified under AS 4801 – Australian Standard for Occupational Health and Safety Management Systems.)

CapitaLand's EHS Policy outlines the company's commitment to managing occupational health and safety issues. Please refer to the policy in the Environment Chapter.



CapitaLand OHSAS 18001 Certificate

2011 Occupational Health and Safety Targets and Performance

Targets	Performance
Zero incident resulting in staff permanent disability or fatality	No staff work-related permanent disability or fatality
All main contractors appointed to be OHSAS 18001 certified (or equivalent)	All 12 main contractors appointed in 2011 were OHSAS 18001 certified

Legal requirements are reviewed on a quarterly basis and compliance is evaluated annually, as part of CapitaLand's OHS Management System. CapitaLand complied fully with local OHS laws and regulations in 2011.

As part of continuous improvement, identifying and managing OHS hazards are a key component in CapitaLand's OHS Management System. Objectives and programmes are established to manage the hazards with procedures and guidelines to implement and evaluate mitigation measures.

Occupational Health and Safety (OHS) Hazards

A key element of CapitaLand's OHS is the identification of relevant health and safety hazards and managing risks. CapitaLand strives to minimise such hazards and risks through various measures.

Hazards Identification and Risk Assessments (HIRA) were undertaken to identify and address key OHS risks. CapitaLand employees were involved in identifying the hazards present in their workplace and cross functional teams were formed to conduct customised risk assessments for offices and individual properties. The findings were reviewed annually or whenever appropriate, for example, following a change in the processes.

OHS hazards were identified for the administration, development and operation functions of CapitaLand's business. Examples of hazard include ergonomics, falling from height, falling objects and working in an enclosed space. The SBUs have put in place various SOPs to minimise the occurrence of such hazards. 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 lunch time talks relating to health, ergonomics and stress management.

³ This will exclude countries where there are no investment projects.

People

CapitaLand is also introducing the requirement of Design for Safety in its Green Building Guidelines. Design for Safety ensures that safety in construction and maintenance is considered right from the design stage.

In 2011, there were nine reportable incidents⁴ in Singapore with no reportable incidents⁵ overseas. All affected staff resumed normal work after their medical leave. In all cases, detailed investigations were conducted and all necessary follow up action taken. HR took a step further and requested for a sample study by the insurance company to provide a third-party perspective in Singapore.

Health and Safety Performance (Singapore)

CapitaLand Staff	2011
Occupational diseases instances	0
Fatalities / permanent disabilities	0
Accident Frequency Rate (AFR) ⁶ (injury per million hours worked)	1.9
Accident Severity Rate (ASR) ⁷ (days per million hours worked)	87.6
Absentee Rate ⁸ (days per employee per year)	5.2

Prevention and Action on Serious Diseases

CapitaLand is always primed to set up appropriate response procedures and teams in relations to the threat of serious diseases. The HR department regularly 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.

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.

As part of continual improvement, CapitaLand offices in Singapore will appoint bizSAFE Level 3 and above certified vendors and service providers from 2012. It is looking into introducing similar requirements on overseas offices, where possible.

⁴ The reporting is based on HR claims made to the Workman Compensation Insurance in Singapore for injuries resulting in more than 3 days medical leave or 1 day of hospitalisation.

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 AFR is a term used in Singapore by the Workplace Safety and Health (WSH) Council. It is similar to Injury Rate except the denomination is per million hours worked instead of 200,000 hours worked.

⁷ ASR is a term used in Singapore by the Workplace Safety and Health (WSH) Council. It is similar to Lost Day Rate except the denomination is per million hours worked instead of 200,000 hours worked.

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

People

Main Contractors

As a developer, CapitaLand requires its main contractors engaged for its development projects to be OHSAS 18001 certified. 12 main contractors appointed in 2011 are OHSAS 18001 certified. CapitaLand also tracked the health and safety performance at its worksites in Singapore and overseas.

In 2011, CapitaLand improved its Accident Frequency Rate (AFR) at its Singapore construction sites to 1.7 cases for every million man-hours worked compared with 3.5 in 2010. (Singapore's national average for 2011 was 1.6 cases for every million man-hours worked.) CapitaLand has undertaken various initiatives to improve the AFR of its main contractors at its sites. The Accident Severity Rate (ASR) has improved to 52 man-days lost per million man-hours worked from 76 man-days lost in 2010. This is below the Singapore national average 151.

Australand's commitment and focus on safety was evidenced by the 76% reduction in its lost time injury frequency rate (LTIFR⁹) over the past three years, from 13.5 at 1 January 2008 to 3.2 at 31 December 2011. It will continue to pursue further improvements to its safety systems and practices. In 2011, Australand achieved re-certification against AS 4801-2001: Occupational Health and Safety Management Systems.

Due to varied standards of reporting, CapitaLand is not able to consolidate a group AFR and ASR figure in a meaningful way. It is looking into how to effectively monitor such figures in a consistent manner.¹⁰

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

As part of continuous improvement, CapitaLand will require its main contractors in Singapore to apply for the Workplace Safety and Health (WSH) Council's Safety and Health Award Recognition for Projects (SHARP) awards 2011. It is looking into introducing similar requirements on overseas offices, where possible.

Singapore Project with Safety Awards 2011

Project	2011 Award
Interlace	SHARP ¹¹ , WSH Council, Singapore RoSPA ¹² Gold
The Seafront on Meyer	RoSPA Gold
Raffles City Singapore	RoSPA Gold
The Wharf Residence	RoSPA Silver
ION Orchard and The Orchard Residences	Design and Engineering Safety Award ¹³ , BCA, Singapore
Ascott Raffles Place, Singapore	Design and Engineering Safety Award, BCA Singapore

⁹ The LTIFR is a measure of the number of lost time injuries for each one million hours worked.

¹⁰ For instance, in Australia, all workplace accidents resulting in more than 1 day or 1 shift lost-time are tracked; In Singapore, all workplace accidents resulting in more than 3 days medical leave or more than 24 hour hospitalisation are tracked.

¹¹ 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.

¹² RoSPA (The Royal Society for the Prevention of Accidents, UK) Award recognises organisations with strong and ongoing commitment to raising health and safety standards.

¹³ BCA Design and Engineering Safety Excellence Award aimed at recognises efforts taken by the qualified person for structural works, other members of the project team for ingenious design processes and solutions in overcoming project challenges and ensuring safety in the design, construction and maintenance of building and civil engineering projects.

Community

Community Development

More than S\$5 million donated by CapitaLand Hope Foundation in 2011	CapitaLand staff volunteered over 9,800 hours across Asia	CapitaLand China conferred "China Best Corporate Citizen Award" for the fourth year
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Community development in CapitaLand is about 'Building People' – a credo that defines how CapitaLand conducts its business, interacts with stakeholders and contributes to the well-being of its employees and the community. CapitaLand is committed to be a good corporate citizen in the communities it operates. The focus of its corporate social responsibility (CSR) efforts is in the areas of corporate philanthropy and volunteerism through its philanthropic arm, CapitaLand Hope Foundation.

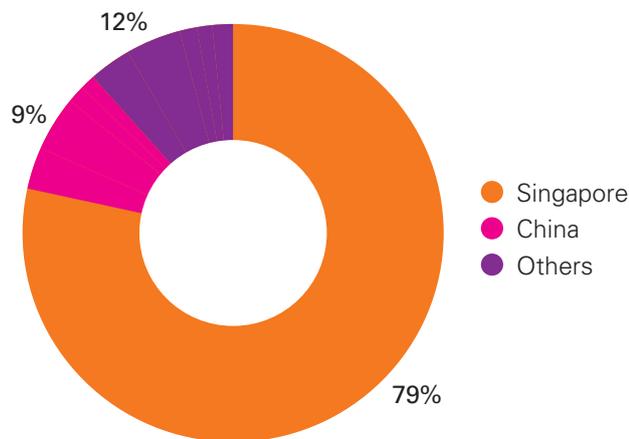
CapitaLand Hope Foundation

CapitaLand Hope Foundation (CHF) was established in 2005 to further CapitaLand's CSR commitment to building a better future for underprivileged children. It is a registered charity and supports community development programmes for the shelter, education and healthcare needs of underprivileged children. This stems from the Foundation's belief in the importance of having basic needs fulfilled during the early years of children's development and its crucial role in moulding their future.

Every year, CapitaLand allocates up to 0.5% of its net profit to the Foundation to provide day-to-day operation through its CSR department supported by the various functional departments within the company. As one of the first foundations created by a Singapore real estate company, CHF leverages on CapitaLand's extensive geographical footprint by identifying and supporting programmes in countries where CapitaLand operates.

In 2011, CHF donated more than S\$5 million to support programmes for the shelter, education and healthcare needs of underprivileged children in countries such as Singapore, China, Vietnam, Malaysia, Japan, Indonesia, Thailand and the Philippines. For its efforts, CapitaLand China was conferred "China Best Corporate Citizen Award" for the fourth year running by the China Committee of Corporate Citizenship and CCTV2 in recognition of its excellent CSR practices in China.

CHF Donations by Geography in 2011



Community

CHF has partnered numerous non-governmental organisations (NGOs) and voluntary welfare organisations (VWOs) across Asia to develop various key community development programmes for underprivileged children. Some of these programmes include:

Kids' Food Fund (KFF)

CapitaLand officially launched its KFF programme with a series of food-related initiatives in support of United Nations World Food Day on 16 October 2010. The objective of the programme is to improve food security and nutrition for the underprivileged children in Singapore, China, Vietnam, the Philippines and Thailand. In 2011, CHF donated S\$360,000 to provide food security to more than 12,000 underprivileged children across Asia.

According to the report "Tracking Progress on Child and Maternal Nutrition"¹ published by UNICEF in 2009, there are 180 million children with growth retardation due to malnutrition worldwide. China had 12.7 million children with the condition, second highest in number behind India, followed by countries such as the Philippines, Vietnam and Thailand. The World Health Organisation (WHO) cites malnutrition as the gravest single threat to the world's public health. Improving nutrition is widely regarded as the most effective form of aid to reduce malnutrition death rate, especially in children, in these developing countries.²

Figures for stunted children in countries where CHF has implemented KFF

(Table adapted from "Tracking Progress on Child and Maternal Nutrition" by UNICEF, 2009)

Ranking	Country	Stunting Prevalence (%) 2003 – 2008	Number of Stunted Children (thousands) 2008	% of Developing World Total (195.1 million)
2	China	15	12,685	6.5
9	Philippines	34	3,617	1.9
13	Vietnam	36	2,619	1.3
41	Thailand	16	756	<1

With the objective of improving childhood nutrition in Asia, CHF partnered various non-profit organisations including Food from the Heart in Singapore (FFTH), Plan International and World Vision International to launch KFF across Asia.

Country	KFF Programme
China	Nutrient-fortified flour to 6,725 children in 14 schools
Philippines	Free lunch for 2,408 children everyday
Vietnam	Free lunch for 40 children everyday
Thailand	Free lunch and nutrient supplements for 2,850 children everyday
Singapore	Free food goodie bags every month for 100 children

// *The partnership between CapitaLand and Plan International will help more children in Asia to overcome malnutrition so they can grow up healthy and be empowered to build a better future for themselves and the whole community.* **//**

**Mr James Murray, CEO,
Plan International Hong Kong**

¹ The report can be found at the following URL. http://www.unicef.org/publications/files/Tracking_Progress_on_Child_and_Maternal_Nutrition_EN_110309.pdf

² Source: Progress for Children: A Report Card on Nutrition, UNICEF, 2006.

Community

KFF China

Launched in 14 elementary schools in Shaanxi Province, Northwest China, in partnership with Plan International to improve micronutrient deficiency of 6,725 school children through provision of nutrient-fortified flour. Students were given health booklets to monitor their growth throughout the programme. Plan international also co-organised training with the education bureau to raise awareness of the importance of nutrition and health. CapitaLand staff and residents in Xi'an also travelled to Chunhua to visit Plan International's local office and Bei Guang Primary School to learn about the conditions of the school.

Outcome: The weight monitoring results show an average increase of 1.2 kilogrammes in the weight of these school children. Runni, a fifth-grade student said, "After eating nutrient-fortified flour, our weight has increased. We record changes of our height and weight every week using a "children growth self-monitoring" form to track our health. We feel very happy and we love the time spent in school."



Bei Guang Primary School's children having a great time with CapitaLand staff and residents

KFF Philippines

Launched in five elementary schools in partnership with Plan International to improve the nutrition of 2,408 students through direct feeding and indirectly benefit another 1,857 students in the community through educational health talks about proper hygiene practices and good nutrition. The programme also provided medical and dental consultation for 298 children in Eastern Samar. Ten CapitaLand staff from the Philippines travelled to Eastern Samar to visit the children beneficiaries and conduct educational programmes with them.

Outcome: After one year of the programme implementation, a total of 446 malnourished children improved their nutritional status to normal. Each school set up a functional school garden planted with a variety of nutritious vegetables and root crops. Students were more active and participatory in school activities because they were better nourished and there were fewer absences due to sickness.



CapitaLand staff volunteers visiting the children beneficiaries at Eastern Samar, the Philippines

KFF Vietnam

Launched in collaboration with World Vision International, the programme was targeted at the Blue Dragon drop-in centre located in Hanoi. The centre provided free nutritious lunch, 5 days per week, to street children who are mostly malnourished.

Outcome: The free lunch programme saw an average increase of 2.5 kilogrammes in the weight of 30 children. The centre also received more children drop-in since they were able to get free lunches and were more willing to communicate with the social workers. In six months, the centre provided disadvantaged children and their families with 3,450 kilogrammes of rice and 5,424 boxes of milk.

'Nam', a six years old orphan, lives in extreme poverty with no parents to look after him. His father died 2 years ago and his mother is in prison. He is very small for his age. Nam has been part of the Blue Dragon's nutrition programme since its beginning. In these last five months he has gained 2.5 kilogrammes in weight and grown 6 centimetres in height.



Children having a nutritious lunch at the Blue Dragon drop-in centre in Vietnam

Community

KFF Thailand

Targeted at poor tribal children in Chiangrai who have settled in highland areas. Plan International found that 16% of the children did not have regular lunch, suffered from malnutrition and lacked the appropriate weight and height according to the Thailand Ministry of Health standard. KFF was launched in 15 schools in partnership with Plan International to provide free school lunch and nutrient supplements for 2,850 students. A series of activities was organised to educate 6,650 children and community members about health and nutrition and to impart knowledge and skills in mixed farming method.

Outcome: Nutritional status of the students improved and met the standard BMI (Body Mass Index).



Students preparing lunch in school

KFF Singapore

Provided food goodie bags to 100 underprivileged children identified by Food from the Heart (FFTH). The children are from two local government schools in Singapore and are recommended by the schools based on their family background. The food goodie bag costing S\$80 each was delivered to the family at the end of every month. In conjunction with the launch of the programme, CHF brought the children to a half-day educational food trail at the Singapore Zoo on 7 October, which coincided with Children's Day in Singapore. The trail, led by CapitaLand staff volunteers, provided interactive pit stops, a tropical crops tour, and lessons with Dr Ooz, the star of the Singapore Zoo where children learnt about food for animals and its sources.



CapitaLand staff volunteers explaining to the children at one of the interactive pit stops

Community

My Schoolbag

My Schoolbag is a signature annual CSR programme where CHF donates schoolbags containing school and daily necessities to underprivileged children in Singapore, China, Malaysia, India and Japan. In 2011, CHF donated more than S\$500,000 to nearly 19,000 underprivileged children across Asia.

My Schoolbag China

In China, new schoolbags and stationery were donated to more than 17,000 children from over 200 schools in 17 provinces and autonomous regions where CapitaLand operates. The children beneficiaries were grade one children who had just started their first day of school and were elated to receive new schoolbags and stationery. At the same time, more than 450 CapitaLand staff volunteers across China also participated in this signature CSR programme.



Children showing their first schoolbag



Children participated in My Schoolbag India at Forum Value Mall, Bangalore

My Schoolbag India

India also started the first run of My Schoolbag in 2011 at Forum Value Mall, Bangalore. Almost 200 underprivileged children from Government Higher Primary School, Gandhipura, were invited to the mall to shop for school and daily necessities such as uniforms, schoolbags and toiletries. A majority of the children live under the poverty line and their parents are labour class workers who work as sanitary cleaners, construction workers or house maids.

My Schoolbag Japan

A group of 18 children affected by the earthquake and tsunami disaster in Japan were invited to CapitaLand shopping mall, Vivit Square, Greater Tokyo. These children who used to live in Fukushima had to relocate with their families and were in need of financial assistance. CapitaLand staff volunteers brought the children shopping around the mall for school and daily necessities.



Children and CapitaLand staff volunteers at Vivit Square located at Vivit Square, Greater Tokyo

Community

My Schoolbag Malaysia

In Malaysia, CHF donated RM150,000 to benefit 600 underprivileged children in Malaysia in the first run of My Schoolbag programme in 2011. The 600 children went on a shopping spree in four different CapitaLand shopping malls across Malaysia. The children came from 25 charity homes which are mainly shelter homes for orphans and abandoned or abused children.



CapitaLand staff volunteers helping the children to choose uniforms



CapitaLand staff volunteers helping the children to choose their school shoes

My Schoolbag Singapore

1,000 underprivileged children from the community development councils (CDCs) in Singapore were invited to “shop” for school and daily necessities at CapitaLand shopping malls located within their respective CDCs. Each child was given S\$150 worth of CapitaVouchers to purchase school items such as school bags, school shoes, stationery and daily necessities such as groceries and toiletries to prepare them for a new school term and at the same time lighten the family expenses. Children were also treated to lunch and entertained with a skit and magic show at the malls.

Green for Hope

Another key CSR initiative by CapitaLand that reaches out to the community is the Green for Hope creative recycling programme at CapitaLand properties and primary schools in Singapore where students, shoppers, tenants and serviced residence guests are encouraged to recycle and ‘earn’ donations for underprivileged children. With the objective to combine CapitaLand’s philanthropy efforts with environmental sustainability, CHF donates S\$2 for every kilogramme of recyclable waste collected. To date, CHF donated more than S\$1.7 million to benefit more than 5,000 underprivileged children across Singapore community as well as all primary schools in Singapore for the Green for Hope programme in 2011. Green for Hope was launched in 2008 and has collected almost four million kilogrammes of recyclable waste as of 2011, receiving a total of close to S\$5 million donation from CHF. (For more information on amount of recyclables collected, please refer to “Engaging our Community - Green for Hope” section in Environment Chapter)



Launch of Green for Hope @ CapitaLand 2011 in partnership with CDCs to benefit the underprivileged children in Singapore



CapitaLand staff volunteers engaging students for Green for Hope @ Primary Schools 2011

Community

CapitaLand Hope Schools

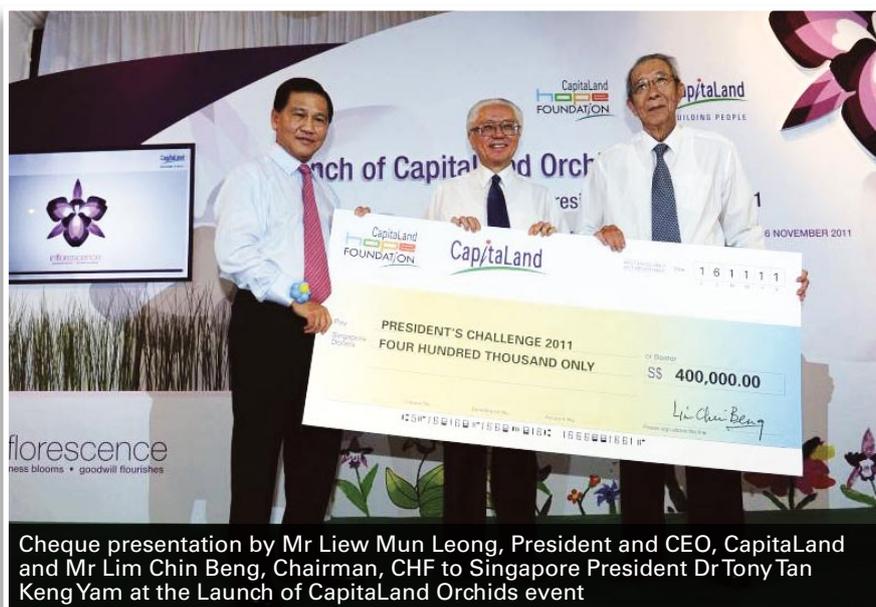
To date, CapitaLand has donated more than S\$2.6 million to build a total of 21 CapitaLand Hope Schools in rural communities of China including Yunnan, Sichuan, Guangdong, Zhejiang, Inner Mongolia, Xinjiang, Jiangsu, Hubei, Guangdong, Shaanxi and Tianjin. In 2011, CapitaLand extended its reach to Vietnam and built its first Hope School, CapitaLand Nang Yen Primary Hope School, in Phu Tho Province, one of the poorest mountainous provinces. The schools provided a conducive learning environment for over 8,000 underprivileged children in the remote villages, enabling social mobility and a better future for these children and their families.



Besides organising various community development programmes across Asia, CHF also supported a series of charity programmes organised by the communities. Since 2005, CHF has donated more than S\$15 million to support programmes for the shelter, education and healthcare needs of underprivileged children in countries which CapitaLand operates.

President's Challenge 2011

President's Challenge (PC) is an annual fundraising initiative by President of the Republic of Singapore to raise awareness and invoke action to help the less fortunate in the community. Since 2008, CapitaLand has been supporting children's charities of PC through CHF. Last year, in conjunction with the launch of CapitaLand Orchids, Cattleya CapitaLand and Phalaenopsis CapitaLand, 10 sets of the specially-minted blooms of the two prized hybridised orchid species were designed and sold to corporate donors to raise funds for PC 2011. CHF matched dollar-for-dollar towards the funds raised from the initiative, bringing the donation to a total of S\$400,000 to benefit eight children beneficiaries under PC 2011. The Guest-of-Honour, His Excellency Dr Tony Tan Keng Yam, unveiled the two orchids with Mr Liew Mun Leong, President and CEO of CapitaLand Group, and received the cheque from CHF.



Community

Promoting Volunteerism

CapitaLand actively promotes volunteerism in its people, an epitome of CapitaLand's corporate values of building people to build for people and caring for the community. CapitaLand is the first company in Singapore to formalise a three-day Volunteer Service Leave system and expand its leave policy to include Volunteer No Pay Leave and Volunteer Part-Time Leave.

In 2011, 1,144 CapitaLand staff volunteered 9,848 hours during work days to participate in various corporate and external volunteering activities across Asia. This translated to an estimated salary cost of S\$233,000 borne by CapitaLand. The company achieved a 10% staff volunteer participation rate within the Group.

As part of CapitaLand's efforts to recognise and acknowledge staff's social contribution as volunteers regardless of cause, 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-one staff qualified for this donation incentive and CHF donated S\$15,500 to 12 Singapore children charities last year.

Over 200 volunteering activities were rolled out in 2011 in Asia where staff volunteers interacted with over 20,000 children beneficiaries supported by CHF. Staff volunteers befriended children beneficiaries and imparted life skills to them during episodic volunteer sessions, such as teaching them about landmark buildings of CapitaLand at P.E.E.K. (Providing Educational Exposure for Kids) events in Singapore, bringing them on a learning discovery trail at Singapore Zoological Gardens on Children's Day as part of the Kids' Food Fund programme, and shopping with them to buy new schoolbags and basic necessities using sponsored CapitaVouchers during My Schoolbag programme.

CapitaLand organised two volunteer expeditions to China and Vietnam to engage staff in overseas community service projects. Forty staff volunteers spent a week to work on the construction site of CapitaLand Nang Yen Primary Hope School near Hanoi to complete a new two-storey classroom building. In China, a group of 28 international and Chinese staff also embarked on a two-week expedition to conduct extra-curriculum lessons and enrichment activities for school children of CapitaLand Xingfuzhilu Hope School in Inner Mongolia. The care and concern shown by the volunteers spurred the beneficiaries to build better lives for themselves despite challenging circumstances so that they can contribute to society when they grow up.



CapitaLand staff volunteers interacting with children beneficiaries and helping out at the construction site of CapitaLand Nang Yen Primary Hope School, Phu Tho Province, Vietnam



Staff volunteers spent two weeks imparting knowledge to children from CapitaLand Xingfuzhilu Hope School, Inner Mongolia, China

Community

Social Integration

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

Close to **75%** of its mixed developments, shopping malls and commercial buildings have **community spaces**

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**

Social Integration of CapitaLand Properties

CapitaLand's credo of 'Building People' reflects the company's purpose as a real estate developer in building quality real estate developments and enhancing the surrounding landscape and community.

CapitaLand aims to provide a safe and vibrant environment for its customers and staff to live, work and play at its developments. The social integration criteria includes:

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

Such considerations were integrated into the CapitaLand's Green Building Guidelines (GBG) to ensure that these criteria were factored in right from the start of a development project. In 2011, the GBG was updated to include universal design (UD) considerations and ensure that public space in CapitaLand projects will be accessible to users of different age groups and varying abilities. UD design considerations 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

Its Singapore developments are encouraged to apply for BCA's UD Award. Overseas developments are to comply with local UD/ Barrier-free codes and guidelines or encouraged to adopt BCA's UD Guide when there is no local code and guideline.

A global review of CapitaLand's portfolio of completed and operational properties³ was conducted for 2011. More than 50% of the properties met all criteria for social integration.

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

About 85% of CapitaLand properties globally 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 projects are well integrated with public transport facilities.

Close to 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 room is a common feature at CapitaLand's shopping malls.

³ This excludes management contracts where CapitaLand has no control over the development of the facilities, and projects where CapitaLand has the minority stake.

Community

Plaza Singapura, Singapore

Winner of BCA's Universal Design Bronze Award (Commercial Category)

Plaza Singapura is a one-stop mall with fashion, dining and entertainment offerings for families and young adults. Located in the heart of Singapore's premier shopping district Orchard Road, it has nine floors of retail outlets.

Community Facilities

Its atrium event space is sought after for many events, including community activities and festivals.

Universal Design

Some features include an accessible taxi stand, alighting and boarding bays, parking spaces, lifts and toilets. Wheelchair parking space and stair-lifts are located at level 7 within the cinema. Pro-family facilities such as diaper changing rooms and sensor operated taps in toilets for children's use are provided. An award winning innovative Family Lounge was opened at Plaza Singapura. For more details, please refer to Human Capital Chapter – ICE.

Connectivity

The shopping mall has excellent connectivity with its direct linkage to the underground train system. This includes the Dhoby Ghaut MRT (Mass Rapid Transit) Interchange, which connects the North-South Line, North-East Line and Circle Line.



Discovery Point, Australia

Discovery Point is a residential development situated in Sydney's Inner South.

Community Facilities

It offers a vast range of community facilities and amenities including three hectares of parkland and gardens, 300 metres of rejuvenated Cooks River frontage, surrounded by an abundance of natural flora and fauna. There is the Mount Olympus heritage gardens, children's playground and barbecue facilities and proposed community social rooms. It offers a wealth of facilities that are available for both residents and the broader community to use and enjoy. Australand completely restored two significant heritage buildings on site, Tempe House and St Magdalen's Chapel. These buildings offer the perfect venue for community activities and are becoming increasingly popular for weddings, resident celebrations and community events.



Universal Design

The whole community of Discovery Point has been designed to comply with disability access codes. This includes disabled compliant access ramps transitioning between public spaces that have a level change. Entrances to buildings are level and where possible, the public plaza areas are designed to be level with gradual level changes to suit wheelchair accessibility requirements. Lifts are installed in each building and in instances where there are large differences in level, e.g. from Discovery Point Place down to the train station ticketing level, a new lift will be installed.

Connectivity

Discovery Point's convenient location with Wolli Creek train station on site and easy access to buses means that residents can leave their cars at home. They can also make use of the cycle paths that connect to local cycle routes.

Awards and Accolades

In 2011, CapitaLand Group and its properties clinched over 80 awards and accolades. Some of the awards and accolades are listed in pg 78-80 of the CapitaLand Annual Report 2011.

GRI Index

The GRI Content Index references CapitaLand's Sustainability Report 2011 and the Annual Report 2011 (AR).

Indicator	Description	Chapter/ Report Page
1	Strategy and Analysis	
1.1	Statement from senior decision-maker	President and CEO's Message (pg 5-6), AR (pg 10-29)
1.2	Description of key impacts, risks and opportunities	Governance (pg 8-9), AR (pg 130-131)
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 81)
2.4	Location of headquarters	Introduction (pg 3)
2.5	Countries of operation	AR (pg 66-67)
2.6	Nature of ownership and legal form	AR (pg 81)
2.7	Markets served	AR (pg 66-67, 108-129)
2.8	Scale of organisation	Introduction (pg 1), AR (pg 2)
2.9	Significant changes during reporting period	AR (pg 30-33, 159-161)
2.10	Awards	Awards and Accolades (pg 46), AR (pg 78-80)
3	Report Parameters	
3.1	Reporting period	Introduction (pg 3)
3.2	Date of previous report	FY 1 January to 31 December 2010
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 11-19), People (pg 27-34)
3.8	Basis for reporting on other entities	Introduction (pg 5), Environment (pg 11-19), People (pg 27-34)
3.9	Data measurement techniques and calculations	Environment (pg 17-19), People (pg 28-35)
3.10	Reason for re-statement	Environment (pg 17)
3.11	Significant changes from previous report	None
3.12	GRI Content Index Table	GRI Index (pg 47-50)
3.13	External Assurance	Independent Assurance Statement (pg 51-53)

GRI Index

Indicator	Description	Chapter/ Report Page
4	Governance, Commitments & Engagement	
4.1	Governance structure	AR (pg 44-55)
4.2	Chairman and Chief Executive Officer	AR (pg 34, 36-38, 45-46, 56)
4.3	Independent directors	AR (pg 38-43, 46-47)
4.4	Communication with stakeholders	Introduction (pg 4), Environment (pg 20-23), People (pg 34-35), AR (pg 132-133)
4.5	Remuneration	Environment (pg 12), Human Capital (pg 28-29, 32), AR (pg 48-49, 138-139)
4.6	Conflicts of interest	AR (pg 49-51)
4.7	Composition, qualifications and expertise of directors	AR (pg 36, 43, 45-47)
4.8	Mission and value statements	Introduction (pg 1, 4), Environment (pg 11, 14), People (pg 27)
4.9	Board oversight of sustainability	Governance (pg 8-9)
4.10	Board performance	AR (pg 47)
4.11	Internal control and audit	Governance (pg 8-10), AR (pg 49-51)
4.12	External charters, principles	Environment (pg 20), People (pg 27-28)
4.13	Associations and memberships	Environment (pg 20), People (pg 27-28)
4.14	List of stakeholder groups	Introduction (pg 4), Environment (pg 20-23), People (pg 34-35), AR (pg 132-133)
4.15	Identification and selection of stakeholders	Introduction (pg 4), Environment (pg 20-23), People (pg 34-35), AR (pg 132-133)
4.16	Approaches to stakeholder engagement	Introduction (pg 4), Environment (pg 20-23), People (pg 34-35), AR (pg 132-133)
4.17	Issues raised through stakeholder engagement	Introduction (pg 4), People (pg 34-35), AR (pg 132-133)
Economic Performance Indicators		
EC1	Direct economic value generated and distributed	Financial Performance (pg 7), AR (pg 3-4, 68-77)
EC8	Infrastructure for public benefit	Environment (pg 24-26), Community (pg 42, 44-45)
EC9	Indirect impact	Introduction (pg 4), Environment (pg 24-26), Community (pg 36-45)

GRI Index

Indicator	Description	Chapter/ Report Page
Environmental Performance Indicators		
EN4	Indirect energy consumption	Environment (pg 17-18)
EN5	Energy saved	Environment (pg 17)
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy	Environment (pg 17)
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	Environment (pg 17)
EN8	Water consumption	Environment (pg 18)
EN9	Water sources affected	Environment (pg 18)
EN11	Protected areas or areas of high biodiversity	Environment (pg 15, 22)
EN12	Impact on biodiversity	Environment (pg 15, 22)
EN13	Habitats protected or restored	Environment (pg 15, 22)
EN14	Strategies, current actions and future plans for managing impacts on biodiversity	Environment (pg 15)
EN16	Direct and indirect greenhouse gas emissions	Environment (pg 17)
EN18	Initiatives to reduce greenhouse gas emissions	Environment (pg 11-19)
EN21	Water discharges	Environment (pg 18)
EN22	Waste management	Environment (pg 19, 21-22)
EN23	Significant spills	Environment (pg 13)
EN26	Initiatives to mitigate environmental impacts of products	Environment (pg 11, 13-15)
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Environment (pg 13)

GRI Index

Indicator	Description	Chapter/ Report Page
Social Performance Indicators		
Labour Practices and Decent Work		
LA1	Workforce	People (pg 27-28)
LA2	Employee turnover	People (pg 29)
LA4	Collective bargaining agreements	People (pg 29)
LA6	% of staff represented in EHS committee	People (pg 32-34)
LA7	Occupational injury	People (pg 32-35)
LA8	Education on workplace health and safety	People (pg 34)
LA10	Average hours of training	People (pg 29)
LA11	Skills management and lifelong learning	People (pg 28-29)
LA12	Performance and career development reviews	People (pg 45)
LA13	Diversity	People (pg 27-28), AR (pg 38-43, 58-63)
Human Rights		
HR4	Non-discrimination	People (pg 27-28)
HR7	Forced and compulsory labour	People (pg 27)
HR11	Remediation	People (pg 27)
Society		
SO1	Local community engagement	Introduction (pg 4), Environment (pg 20-23), People (pg 34-35), Community (pg 36-45)
SO2	Risk analysis for corruption	Governance (pg 12-13)
SO3	Staff training in anti-corruption policies and procedures	Governance (pg 9-10), People (pg 30)
Product Responsibility		
PR1	Health and safety impacts	People (pg 33)
PR2	Non-compliance	People (pg 33)
PR5	Customer satisfaction	Introduction (pg 4)

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 Sustainability Report 2011" 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.

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

Amsterdam, 15 June 2012



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 7 June 2012. 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

CapitaLand Limited [CapitaLand] commissioned Ere-S Pte Ltd [Ere-S] to provide independent assurance of the CapitaLand Sustainability Report 2011 [the Report].

The engagement comprised a review of the performance information disclosed in the Report, and of the relevant data collection and calculation processes, 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).

The assurance encompassed the figures, statements and Group-level activities of CapitaLand reported for January to December 2011. Verification was carried out on performance information, policies, procedures and underlying management systems.

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. Multi-level research to determine materiality issues and stakeholders relevant to CapitaLand was not included. 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 financial data, technical descriptions of buildings, equipment and production processes or other information not related to sustainability and already supported by existing documents, such as CapitaLand's annual report and third-party certifications.

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 operation.

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. (For example, key environmental data could be tracked back to single departments and tasks.)
 - 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.

Independent Assurance Statement

Findings and observations

Evaluation of the adherence to GRI Principles for Defining Report Content

Materiality - The findings of the assurance engagement provide confidence that the sustainability issues and performance indicators presented in the Report represent CapitaLand's economic, environmental, and social performance in the reporting period.

Reporting is stronger on energy consumption, safety and labour practice issues and, although economic and other social indicators may have less material importance in the context of sustainability, the Report would benefit from more disclosure on these aspects. The addition of two Human Rights indicators in this year's report already shows some improvement in that regard.

Stakeholder Inclusiveness - CapitaLand's key stakeholders have been identified in the Report and evidenced by underlying stakeholder mapping processes. Stakeholder interaction is found to be strong among employees, investors and business partners.

Stakeholder involvement is found in decision-making regarding safety, labour practices (at corporate offices) and, to a lesser extent, environment. However, there is little evidence of formal stakeholder involvement when making key decisions regarding other topics of sustainability.

Sustainability Context - The scope of sustainability disclosure is found to be reasonable in CapitaLand's global context. Performance measurement processes as well as mechanisms to manage and respond to sustainability issues (such as the Environmental, Health and Safety Management System), are found to be solid and applied throughout CapitaLand and its business units.

There is comprehensive disclosure on philanthropic initiatives for vulnerable groups in diverse countries. Comparatively, there is limited evidence of measurement and reporting on local impacts from overseas operations, such as communities affected by development projects.

Completeness - The Report's boundary and coverage of material topics and key sustainability issues allow a reasonable assessment of the company's performance. In addition, further progress has been made this year with performance indicators added to the Report.

The Report includes results from all CapitaLand's key business units, and the sustainability indicators cover, to different extents, economic, social and environmental topics. However, there are instances where material disclosure is not at Group level. For example, information on the accident frequency rate (AFR) and accident severity rate (ASR) or its equivalent, is not provided for countries other than Singapore and Australia.

Evaluation of the adherence to GRI Principles for Defining Report Quality

The Report shows a satisfying level of clarity, with comprehensive statements and figures represented through the use of charts and tables. The Report is consistent with the format of previous versions, including tables showing yearly targets and charts illustrating historical data. This allows for comparison between Reports and, to a reasonable extent, with other organisations in the same industry.

The verification findings provide confidence that the Report's content achieves an adequate level of reliability. Through interviews with the data owners, measurement and calculation processes (including estimations and assumptions) have been assessed, providing confidence, within satisfactory limits, that the Report's qualitative and quantitative data is accurate. Furthermore, disclosed statements and figures were substantiated by evidence originated at various levels within the organisation.

Since the previous assurance engagement, progress has been made in the preparedness of data owners and the quality of documents on management processes and pieces of evidence presented to substantiate the reported information. Most particularly, CapitaLand's new Environmental Tracking System has allowed a more comprehensive and consistent examination of current and historical data. Improvement has also been evidenced in the disclosure of unfavourable information, such as fatalities at overseas sites. Nevertheless, further balanced reporting is recommended.

During the assurance, a small number of inconsistencies between the reported information and the data source were detected, but necessary corrective actions were taken by the reporting team.

Independent Assurance Statement

Conclusion

In Ere-S' opinion, the information reported in CapitaLand's Sustainability Report 2011 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 disclose more information regarding stakeholder engagement processes. Specifically, performance measurement and reporting on social impact in development projects and within the supply chain should be reinforced for stronger alignment with the current internal policies on human rights and labour practices that have been formalised Group-wide.
- For a more complete disclosure, it is also recommended to consider additional indicators, particularly in the society and economic categories (for example, market presence, public policy and compliance) and from the GRI Construction and Real Estate Sector Supplement. Including indicators that show less positive results will benefit future reporting by providing more balanced content. More performance information from overseas subsidiaries is also recommended to fill the gaps in areas where data is only provided for operations in Singapore.
- Similarly to the new Environment Tracking System, developed processes for data collection, calculation and retention could also be implemented for the other reported areas. This will streamline the reporting process and facilitate internal and external verification procedures.

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



Singapore, 7 June 2012

A handwritten signature in black ink that reads 'Jean-Pierre Dalla Palma'.

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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