

Sustainability Management

BOARD STATEMENT

At CapitaLand Malaysia Trust (CLMT), sustainability is at the core of everything we do. We are committed to growing in a responsible manner, delivering long term economic value, and contributing to the environmental and social well-being of our communities. The material environmental, social and governance (ESG) factors have been identified and encapsulated in the CapitaLand 2030 Sustainability Master Plan, which was launched in 2020, and will be reviewed by the Board of the Manager of CLMT together with management every two years.

The CapitaLand 2030 Sustainability Master Plan steers our efforts on a common course to maximise impact through building a resilient and resource efficient real estate portfolio, enabling thriving and future-adaptive communities, and accelerating sustainability innovation and collaboration. Ambitious ESG targets have been set which include carbon emissions reduction targets validated by the Science Based Targets initiative (SBTi).

The Board of the Manager of CLMT is responsible for overseeing the Manager's sustainability efforts, and takes ESG factors into consideration in determining its strategic direction and priorities. The Board also approves the executive compensation framework based on the principle of linking pay to performance. The Manager's business plans are translated to both quantitative and qualitative performance targets, including sustainable corporate practices and are cascaded throughout the organisation.

REPORTING SCOPE AND PERIOD

This report covers CLMT's income-producing and geographically diversified portfolio of five shopping malls and a complementary office block from 1 January to 31 December 2021, unless otherwise indicated. The report forms part of CLMT Annual Report 2021, a copy of which can be downloaded from www.clmt.com.my.

Properties:

- › Gurney Plaza
- › East Coast Mall
- › Sungei Wang Plaza – CLMT's interest in Sungei Wang comprises (i) 205 strata parcels within the mall which represents approximately 61.9% of the aggregate retail floor area, and (ii) 1,298 car park bays which comprise 100% of the car park bays.
- › 3 Damansara Property
- › The Mines

SUSTAINABILITY COMMITMENT

As an externally managed real estate investment trust, CLMT is managed by CapitaLand Malaysia REIT Management Sdn. Bhd. (formerly known as CapitaLand Malaysia Mall REIT Management Sdn. Bhd.) (CMRM or the Manager), a 70%-direct subsidiary of CapitaLand Investment Limited, which is part of the CapitaLand (CL or CL Group). Meanwhile, CLMT's properties are managed by Knight Frank roperty Management Sdn. Bhd. and Zaharin Nexcap Property Consultants Sdn. Bhd. (collectively known as Property Managers) that oversees the daily property operations. The Manager and Property Managers are responsible for the property operations across CLMT's portfolio.

The Manager of CLMT are part of the CL Group and our sustainability strategy is aligned to that of CapitaLand. Since starting on its sustainability journey, CLMT has built on CapitaLand's firm foundation to strengthen its portfolio and sustainability practices to be resilient to the challenges faced by the retail real estate sector. As we progress, we endeavour to make a meaningful and positive impact in the communities we operate in as we create value for our Unitholders.

CLMT is committed to improving the economic and social well-being of its stakeholders through management of human capital, asset, portfolio and property operations. The Manager and Property Managers firmly uphold CapitaLand's credo of 'Building People. Building Communities.', and abide by CapitaLand's sustainability framework, policies, guidelines, as well as ethics and code of business conduct.

We uphold high standards of corporate governance and transparency to safeguard shareholders' interests. We have in place an adequate and effective Enterprise Risk Management Framework to enhance business resilience and agility. CapitaLand's proactive approach towards environmental, health and safety (EHS) management, which incorporates universal design into its developments, ensures that its properties are sustainable and future-proof. Policies and guidelines are put in place to ensure the efficient use of energy, water and other resources.

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

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With the launch of CapitaLand's 2030 Sustainability Master Plan in 2020, CapitaLand elevated its commitment to global sustainability in the built environment given its presence in more than 250 cities and over 30 countries. The Master Plan focuses on three key pillars to drive CapitaLand's sustainability efforts in the ESG pillars, enabling CL Group to create a larger positive impact for the environment and society.

- **BUILD:** Portfolio Resilience and Resource Efficiency
- **ENABLE:** Thriving and Future-Adaptive Communities
- **ACCELERATE:** Sustainability Innovation and Collaboration

CapitaLand identified five pathways to achieve its sustainability objectives and will adapt its strategies as technologies evolve and new scientific data become available:

1. Integrate sustainability in CapitaLand's real estate life cycle

From the earliest stage of its investment process, to design, procurement, construction, operations and redevelopment or divestment, sustainability targets will be embedded in policies, processes, best practices, and key performance indicators of its business operations.

2. Strengthen innovation and collaboration to drive sustainability

CapitaLand will continue to source globally for new ideas and technologies to meet its sustainability ambitions and work with like-minded partners to create shared values.

3. Leverage sustainability trends and data analytics

This allows CapitaLand to track critical performance and progress in water usage, waste management, energy consumption, carbon emission, and health and safety. These measurements along with social indicators are key to driving performance improvement across its operating properties and development projects.

4. Monitor and report progress to ensure transparency

As CapitaLand tracks its sustainability progress, it will continue to validate its performance by external assurance and align its Global Sustainability Report to international standards.

5. Increase engagement and communication with key stakeholders

It is key to build awareness among CL Group's employees, investors, customers and communities, and collectively effect transformational change to achieve CapitaLand's 2030 targets.

Push boundaries of change

To push the boundaries of change, CapitaLand will transit to a low-carbon business that is aligned with climate science. In November 2020, CapitaLand had its carbon emissions reduction targets approved by the Science Based Targets initiative (SBTi) for a 'well-below 2°C scenario. The targets are in line with the goals of the Paris Agreement to keep global temperature rise well below 2°C in this century. CapitaLand is also developing a new metric, Return on Sustainability, in addition to the regular financial return to measure CL Group's ESG impact.

CapitaLand has also launched the inaugural CapitaLand Sustainability X Challenge (CSXC), an innovation challenge to enable CapitaLand to accelerate its sustainability efforts and meet its 2030 targets. The CSXC covers seven challenge statements and reflect the key themes and goals in CapitaLand's 2030 Sustainability Master Plan.

CapitaLand aims to be a leader in sustainable finance and secure S\$6 billion through sustainable finance by 2030. Proceeds and interest rate savings from CapitaLand's efforts in sustainable finance can also be used to drive more sustainability initiatives and innovations within the company.

As part of the CapitaLand Group, CLMT is committed to working towards long term and annual targets under CapitaLand's 2030 Sustainability Master Plan Framework.

CLMT is aligned with CapitaLand's long term targets:

- › Reduce carbon emissions intensity by 78% by 2030.
- › Reduce energy intensity by 35% by 2030
- › Reduce water intensity by 45% by 2030 (Using 2008 as base year)

CLMT keeps track of its performance to ensure its properties are on track to meet CL Group's targets.

Measured against global benchmarks

CapitaLand was one of the first companies in Singapore to voluntarily publish an annual Global Sustainability Report and externally assure the entire report. Benchmarking against an international standard and framework that is externally validated helps CL Group to overcome the challenges in sustainability reporting that may arise from its portfolio of diverse asset types and geographical presence globally.

CapitaLand is also a signatory to the United Nations (UN) Global Compact and its Global Sustainability Report serves as its Communication on Progress, which will be made available at www.unglobalcompact.org when published.

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For its efforts, CL Group is listed in the Global 100 Most Sustainable Corporations Index, Dow Jones Sustainability World Index and Asia-Pacific Index, Global Real Estate Sustainability Benchmark (Global Sector Leader, Diversified- Listed), FTSE4Good Index Series, MSCI Global Sustainability Indexes and The Sustainability Yearbook.

CapitaLand Investment Global Sustainability Report 2021 will be published by 31 May 2022. It will continue to be prepared in accordance with the Global Reporting Initiative Standards: Core option. CapitaLand will continue to apply the Guiding Principles of the International Integrated Reporting Framework and ISO 26000:2010 Guidance on Social Responsibility, and reference the UN Sustainable Development Goals (UN SDGs) and the Taskforce on Climate Related Financial Disclosure. CapitaLand also plans to align its sustainability report to the Sustainability Accounting Standards Board (SASB). It will continue to be externally assured to AA1000 Assurance Standard.

The report will cover the Group's global portfolio and employees, including its listed real estate investment trusts (REITs) and business trusts - CapitaLand Integrated Commercial Trust, Ascendas Real Estate Investment Trust, Ascott Residence Trust, CapitaLand China Trust, Ascendas India Trust and CapitaLand Malaysia Trust, unless otherwise indicated.

STRATEGIC SUSTAINABILITY MANAGEMENT STRUCTURE



CAPITADNA

Visions, Mission, Credo and Core Values

CORE VALUES

WINNING MINDSET | ENTERPRISING | RESPECT | INTEGRITY

COMMITMENT TO OUR STAKEHOLDERS

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

for our Customers
Tenants, shoppers, home owners, residents

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

for our Investors
including business partners

We develop high performing people and teams through rewarding opportunities.

for our People Staff

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

for our Communities
Government agencies/ NGOs, general public, environment suppliers/ contractors

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BOARD, TOP MANAGEMENT AND STAFF COMMITMENT INVOLVEMENT

CapitaLand Investment (CLI) Group-wide sustainability management comes under the purview of CapitaLand Sustainability Council (SC) which comprises two Independent Board members and four executive committee members that report to the CLI Board. CapitaLand's Management Council consisting of the Group Chief Executive Officer (CEO), all Presidents and/or CEOs of business units and key management officers of the Corporate Office provide strategic management of ESG implementation across the Group. The SC is supported by the Group Sustainability Office and various work teams to drive continued progress and improvement in the areas of ESG. It was chaired by one of CLI Board's independent directors and

member of its Executive Resource and Compensation Committee and Risk Committee. The work teams comprise representatives from CapitaLand business units and corporate functions. This governance is cascaded from the Group level to CLMT level through the operations of CapitaLand's EHS Committee.

The Manager's properties are overseen by representatives in the Environmental, Health and Safety (EHS) Committee to drive initiatives within its properties. The Board of the Manager is updated regularly through the Executive Committee and Audit Committee on matters relating to sustainability risks and business malpractice incidents. The Board of the Manager is also updated on the sustainability management performance of CLMT, key material issues identified by stakeholders and the planned

PRIORITISATION OF ESG MATERIAL ISSUES



BUILD

Portfolio Resilience and Resource Efficiency



ENABLE

Thriving and Future-Adaptive Communities



ACCELERATE

Sustainability Innovation and Collaboration

Anchored by strong Governance and sustainable financial performance

- Compliance
- Business ethics

MATERIAL ESG FACTORS/INDICATORS

KEY MATERIAL ISSUES

- Climate change and carbon reduction
- Energy efficiency
- Water management

MEDIUM PRIORITY

- Waste management
- Biodiversity

KEY MATERIAL ISSUES

- Occupational Health & Safety
- Human Capital
- Stakeholder engagement
- Supply Chain Management
- Diversity (Board and staff)

MEDIUM PRIORITY

- Human rights

KEY MATERIAL ISSUES

- Product and service (incl. customer health and safety)

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follow-up measures. The Manager works closely with the Property Managers in carrying out strategies and relevant activities, abiding by CapitaLand's sustainability framework and policies.

MATERIALITY

CLMT has a regular review, assessment and feedback process in relation to ESG topics. Key to this is an annual Group-wide Risk and Control Self-Assessment exercise which entails the identification, assessment and documentation of material risks and corresponding internal controls. These material risks include fraud and corruption, environmental (e.g. climate change), health and safety, and human capital risks which are ESG-relevant.

We identify and review material issues that are most relevant and significant to us and our stakeholders. These are prioritised based on the likelihood and potential impact of issues affecting business continuity and development.

For external stakeholders, priority is given to issues important to the society and applicable to CLMT. More information on stakeholder engagement is available in the Social and Relationship Capital, Human Capital and Environmental Capital chapters of the CapitaLand Global Sustainability Report 2021.


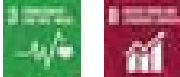
The Manager and Property Managers engage stakeholders through various programmes and channels to identify and assess material ESG issues which significantly impact business operations and stakeholders. The Group-wide Risk and Control Self-Assessment exercise provides the framework for the identification, assessment and documentation of material risks and corresponding internal controls. These are prioritised based on the likelihood and potential impact of issues affecting business continuity and development.

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

The Guiding Principles of the International Integrated Reporting Council (IIRC) Framework were referenced in this report, and the material ESG issues are grouped into six Capitals – Environmental, Manufactured, Human, Social and Relationship, Organisational, and Financial. This is also mapped against eight UN SDGs that are most aligned with CapitaLand's Master Plan 2030 targets, and where CapitaLand can achieve the greatest positive impact. More information will be available in the CapitaLand Investment Global Sustainability Report 2021.

Capitals	What We Do	2021 Value Created
Environmental Capital <ul style="list-style-type: none"> › Carbon emissions › Energy management › Water stewardship › Waste and resource management 	CapitaLand is committed to: <ul style="list-style-type: none"> › Reduce water consumption, reuse water and prevent water pollution, especially in countries where the availability of clean water and sanitation are of concern › Transit to low-carbon business and reduce energy consumption through improved energy efficiency and increase use of renewable energy › Green its global operational portfolio by 2030 › Actively embrace innovation to ensure commercial viability without compromising the environment for future generations 	<ul style="list-style-type: none"> › For 2021, CLMT's operational properties total energy consumption was 49,875MWh. It was solely contributed by purchased electricity and there was no contribution from direct energy consumption from gas, diesel and other fuels. For water, total consumption was about 425,781m³ › Energy and Water Usage and Carbon Intensity Reduction: For 2021, the reduction in water usage in m³/m² was 46% from the 2009 baseline, and the reduction in carbon intensity (kg/m²) was 34% from the 2009 baseline. Energy usage in kWh/m² also reduced by 34% from the 2009 baseline. Using a 'Business as Usual' approach, it is estimated that CLMT avoided costs of more than RM36.1 million for utilities since 2009 › CLMT is in the process of obtaining the green rating re-certification process and is targeted to achieve 100% by 2024, save for Sungei Wang Plaza. We will continue to implement energy and water conservation measures to ensure efficient operations and minimise resource wastage
Manufactured Capital <ul style="list-style-type: none"> › Environmentally sustainable, healthy, safe and accessible quality buildings › Innovative and sustainable construction methods and technologies 		

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Capitals	What We Do	2021 Value Created
<p>Environmental Capital (con't)</p> <p>Manufactured Capital (con't)</p> 	<ul style="list-style-type: none"> › Future-proof its developments by addressing the risks of climate change right from the design stage › Preserve the biodiversity of its sites as well as the wider area where possible › Build safe, accessible, vibrant and quality real estate developments to enhance the lives of its shoppers, tenants, serviced residence and hotel guests, homeowners and members of the community 	<ul style="list-style-type: none"> › Retained ISO14001 certification. All CLMT properties have no environmental non-compliance › Safety talks and briefings are given to employees and tenants on a periodic basis, and regular emergency evacuation drills are conducted at least once a year at each property to familiarise both employees and tenants on the emergency response plan › All CLMT properties are subjected to fire safety audits and regular maintenance on safety equipment › All CLMT properties participated in the recycling of waste programme › All CLMT properties participated in the Earth Hour initiative
<p>Manufactured Capital</p> <ul style="list-style-type: none"> › Environmentally sustainable, healthy, safe and accessible quality buildings › Innovative and sustainable construction methods and technologies <p>Human Capital</p> <ul style="list-style-type: none"> › Health and safety › Job creation and security › Learning and development › Benefits and remuneration 	<ul style="list-style-type: none"> › CapitaLand believes that regardless of ethnicity, age or gender, staff can make a significant contribution based on their talent, expertise and experience. CapitaLand adopts consistent, equitable, and fair labour policies and practices in rewarding as well as developing staff under the direct hire of CapitaLand Group › CapitaLand is a signatory to the UN Global Compact › CapitaLand aims to provide a work environment that is safe and contributes to the general well-being of its staff › Occupational health and safety of our stakeholders is of utmost importance to CapitaLand. This includes all its staff, tenants, contractors, suppliers and the communities that use its properties 	<p>Employees of the Manager and Property Managers are identified as CLMT employees where CLMT adopts the same policies of CapitaLand Group.</p> <p>CLMT employees comprise:</p> <ul style="list-style-type: none"> › A multi-racial workforce › An almost equal proportion of males and females, at a ratio of 53:47 › About 69% of CLMT's employees are aged between 30 and 50 years › About 50% of senior and middle management are women › Average training hours per employee is more than 13 hours › Almost 63% of employees have been with CLMT for five years or longer › Zero incident resulting in staff permanent disability or fatality <p>Save for those with medical conditions, 100% of employees have completed two doses of COVID-19 vaccination</p>

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Capitals	What We Do	2021 Value Created
<p>Social and Relationship Capital</p> <ul style="list-style-type: none"> › Stakeholder relations › Social license to operate › Community development › Cross-sectoral partnership 	<ul style="list-style-type: none"> › CapitaLand is committed to building safe, accessible, vibrant and quality real estate developments to enhance the lives of its shoppers, tenants, serviced residence and hotel guests, homeowners and members of the community › CapitaLand is committed to activities that are aligned with its focus on community investment. CapitaLand engages its stakeholders, raising awareness in the areas of philanthropy, environment, health and safety › Promote sustainability within the tenant community › Integrate CapitaLand's ESG performance with financial metrics 	<p>COVID-19 continues to affect the lives and livelihoods of Malaysians. With support from CapitaLand Hope Foundation, CLMT contributed towards enhancing the well-being and educational needs of underprivileged children.</p> <ul style="list-style-type: none"> › Donated RM200,000 to benefit more than 650 children from 17 orphanages <p>CapitaLand Malaysia together with CLMT committed RM150,000 to support the efforts of Mercy Malaysia in respect of the flood that affected various parts of Malaysia in December 2021.</p> <p>Retained ISO14001 certification</p> <p>Refer to Investor & Media Relations, CLMT Annual Report 2021</p>
<p>Organisational Capital</p> <ul style="list-style-type: none"> › Leadership and culture › Corporate Governance › Risk Management 	<ul style="list-style-type: none"> › CapitaLand is a signatory to the UN Global Compact › CapitaLand's Supply Chain Code of Conduct influences its supply chain to operate responsibly in the areas of anti-corruption, human rights, health and safety, as well as environmental management › All staff are required to make an annual declaration to uphold CapitaLand's core values and not to engage in any corrupt or unethical practices › Requires third-party service providers and vendors to adhere to anti-bribery and anti-corruption provisions › Requires main contractors to ensure no child labour and forced labour at CapitaLand project sites 	<ul style="list-style-type: none"> › Refer to Corporate Governance, CLMT Annual Report 2021 › Refer to Enterprise Risk Management, CLMT Annual Report 2021 › No reported incident relating to discrimination, child labour or forced labour in CLMT
<p>Financial Capital</p> <ul style="list-style-type: none"> › Sustainable financing › Earnings › Equity › Investments › Assets 	<ul style="list-style-type: none"> › Combination of operating income from investment properties and trading properties, disciplined capital recycling and growth of fee income › Calibrated balance across product platforms and geographies 	<ul style="list-style-type: none"> › Refer to Financial Highlights, Financial Review and Capital Management, CLMT Annual Report 2021

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FINANCIAL CAPITAL

Financial Performance

CLMT delivered a set of respectable results for FY 2021 as it remains affected by the ongoing operating challenges as a result of the COVID-19 pandemic. For detailed financial results and performance, please refer to the following sections of this Annual Report - Financial Highlights, 2021 Highlights, Financial Review and Financial Statements.

ORGANISATIONAL CAPITAL

Corporate Governance Culture

The Manager embraces the tenets of good corporate governance, including accountability, transparency and sustainability. It is committed to enhancing longterm Unitholder value and has appropriate people, processes and structure to direct and manage the business and affairs of the Manager with a view to achieving operational excellence and delivering CLMT's long term strategic objectives.

The policies and practices developed meet the specific business needs of CLMT and provide a firm foundation for a trusted and respected real estate investment trust. The Manager remains focused on ensuring compliance with relevant laws and regulations, including but not limited to the Companies Act 2016, the Capital Markets and Services Act 2007 (CMSA), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia) (Listing Requirements), the Securities Commission's (SC) Guidelines on Listed Real Estate Investment Trusts (REITs Guidelines), Licensing Handbook, written directions, notices, codes and other applicable guidelines issued by SC and/or Bursa Malaysia and the tax rulings issued by the Inland Revenue Board of Malaysia on the taxation of CLMT and its Unitholders as well as any updates and amendments to such relevant laws and regulations while achieving operational excellence and delivering CLMT's long term strategic objectives. The Board is responsible for the Manager's corporate governance standards and policies, underscoring their importance to the Manager.

CLMT adheres to the policies, guidelines and practices relating to Communicating with Shareholders, Dealing with Interested Persons, Dealing with Conflicts of Interest, Dealings in Securities and Code of Business Conduct, amongst others. For details on CLMT's policies, guidelines and practices, please refer to the Corporate Governance section of this Annual Report.

Compliance

CLMT is a member of the Malaysian Investor Relations Association (MIRA) and Malaysia REIT Managers Association (MRMA).

In 2021, there were zero incidents on material non compliance with laws and regulations relevant to the REIT, the Manager or the Property Managers. This includes regulations and industry codes concerning marketing communications and PDPA.

In alignment with CapitaLand, CLMT's zero tolerance towards bribery and corruption is further reflected through the anti-bribery and anti-corruption provisions incorporated into its business contracts and agreements. In 2021, there were zero incidents with regards to corruption.

Enterprise Risk Management (ERM)

As an integral part of corporate governance, a comprehensive ERM framework enables CLMT to proactively identify, assess, manage and communicate risks in an integrated, systematic and consistent manner.

The Board is responsible for the governance of risks across CLMT, assisted by the Audit Committee which provides oversight of risk management at the Board level. The Board approves CLMT's risk appetite which determines the nature and extent of material risks that the Manager is willing to take to achieve the CLMT's business objectives and corporate strategy. For more details, please refer to the ERM section of this Annual Report.

ENVIRONMENTAL CAPITAL

CLMT is committed to environmental sustainability and value creation as a real estate owner. By leveraging technologies and analytics in optimising the usage of energy, water and waste management across our properties, we believe that we can manage our business more efficiently and create long term value for all stakeholders.

Managing Our Environmental Footprint

CapitaLand's Environmental Management System (EMS) is a key tool in managing CLMT's environmental footprint across its entire portfolio. The EMS, together with CapitaLand's Occupational Health and Safety Management System (OHSMS) are integrated as CapitaLand's Environmental, Health and Safety Management System (EHSMS) that complies with ISO 14001 and OHSAS 18001 standards. ISO 14001

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and OHSAS 18001 are internationally recognised standards for environmental management and occupational health and safety management of businesses respectively.

Environmental, Health and Safety Policy

CLMT is committed to protecting the environment and upholding the occupational health and safety (OHS) of everyone in the workplace. We regularly conduct the following:

- › Carry out exemplary EHS practices to minimise pollution as well as health and safety risks
- › Seek continual improvement on its EHS performance
- › Comply with relevant legislations and other requirements
- › Implement CapitaLand's OHS programmes

The EHS policy is readily available to all employees, tenants, suppliers and service providers. Since 2012, all business functions such as property management for CLMT's properties are EHS certified.

Risk Management of Environmental Aspects and Impacts

As part of the certified EMS, new or updated legal requirements are reviewed quarterly and compliance is evaluated annually.

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

CLMT strives to minimise environmental impact in areas such as resource depletion, carbon emissions and waste generation. This is done by setting environmental targets such as green building rating targets, carbon emissions, energy and water usage reduction targets, participating in stakeholder engagement activities, as well as implementing various measures to achieve them.

Training

To facilitate effective implementation of CapitaLand's EHSMS, training and awareness programmes are planned and conducted for all employees. New employees are introduced to the EHSMS and

EHS policies and briefed on their roles. Heads of Departments in administration, operations, and project management including heads of operating properties, design managers and project managers undergo more detailed training.

Internal and External Audits

CapitaLand has in place an internal audit system to ensure the conformance and effective implementation of its EMS to ISO 14001 international standards. External audits are conducted annually by a third-party accredited certification body.

Our Environmental Commitments

Leveraging CapitaLand's Environmental Tracking System (ETS), we track energy and water usage, waste collection and disposal, as well as carbon emissions at our operating properties.

The management team of each property submits monthly data and uploads supporting documentation onto the platform. The aggregated data is analysed to gauge consumption patterns better and help uncover opportunities for further operational efficiency improvements.

CLMT continues to implement various energy conservation measures which focuses on innovation to reduce energy consumption. The measures are listed in the table below.

Focus	Measures
Central Air Conditioning System	<ul style="list-style-type: none"> › Installed with Measurement & Verification (M&V) system to monitor system performance daily › Perform preventive and periodic servicing and maintenance › Conduct energy audit periodically
Lighting	<ul style="list-style-type: none"> › Replacing existing non-LED type with LED type › Lighting power budget of not more than 22 Watts per m² for tenanted areas
Control, Metering and Monitoring	<ul style="list-style-type: none"> › Building Management System › Sub-metering
Equipment	<ul style="list-style-type: none"> › Replace equipment with higher efficiencies

As part of the CapitaLand Group, CLMT is committed to working towards the long term and annual targets under CapitaLand's 2030 Sustainability Master Plan Framework.

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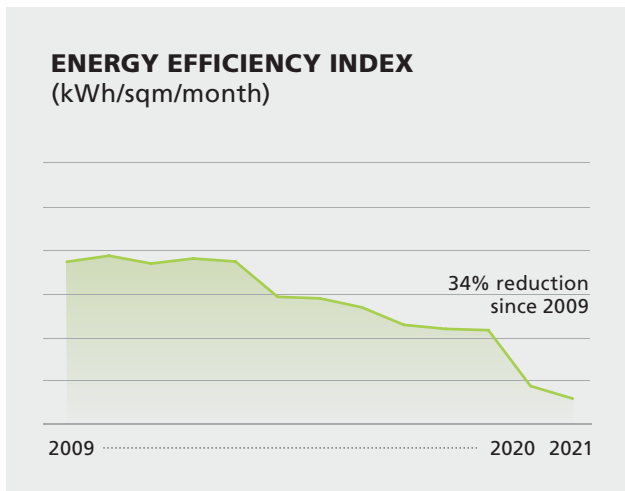
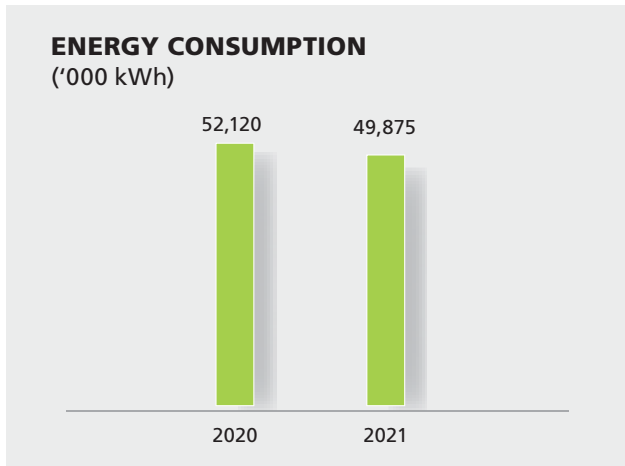
CLMT is aligned with CapitaLand's long term targets of:

- › Reduce carbon emissions intensity by 78% by 2030.
- › Reduce energy intensity by 35% by 2030
- › Reduce water intensity by 45% by 2030 (Using 2008 as base year)

Energy

In 2021, CLMT reduced energy intensity measured in kilowatts-hour per square metre (kWh/m²) by 34% from base year 2009. Energy usage for operating properties was approximately 49,875 kWh compared to 52,120 kWh in 2020. The decrease was marginally due to movement restrictions enforced by the authorities as part of the measures to contain the pandemic.

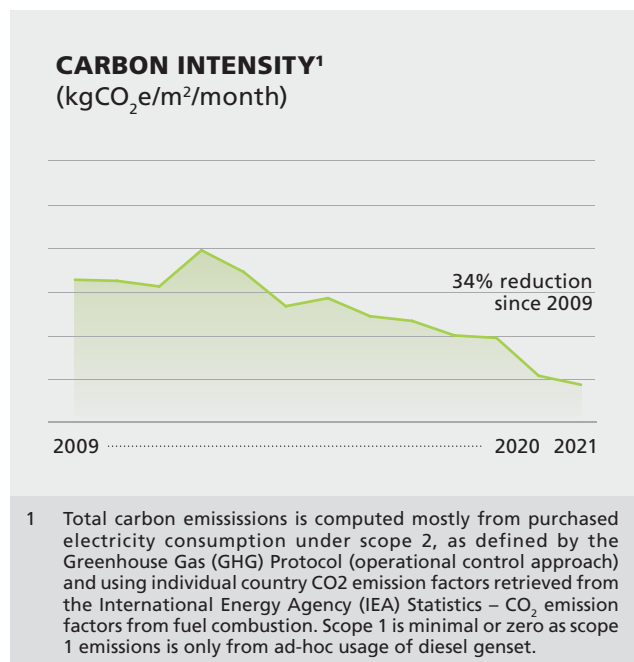
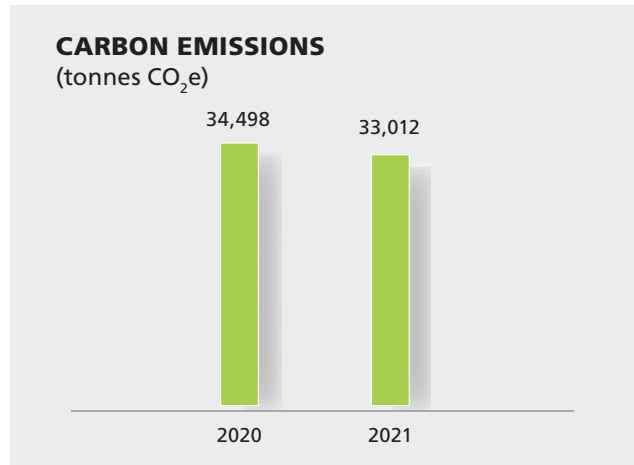
In support of the annual Earth Hour campaign, all non-essential lights were turned off at all CLMT's properties for one hour on 27 March 2021.



Carbon Emissions

CLMT is committed to address climate change risks through the reduction of its energy consumption. Improving energy efficiency represents the largest and most cost-effective way to mitigate those emissions.

In 2021, CLMT's carbon emissions was approximately 33,012 tonnes. Carbon intensity was 7.3 kgCO₂e/m² per month. The improvement represented a 34% reduction in carbon emission intensity compared to 2009 baseline.

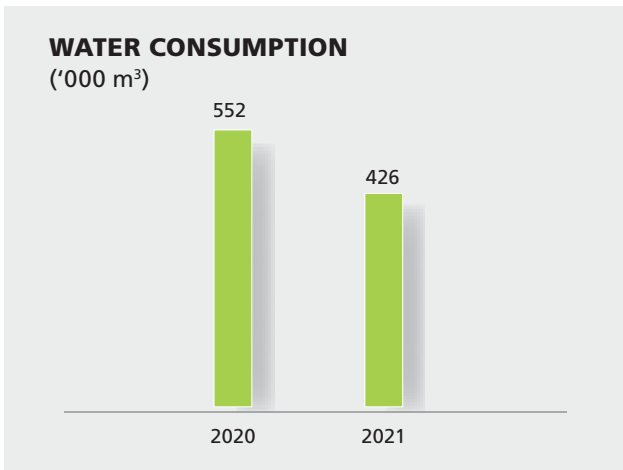


1 Total carbon emissions is computed mostly from purchased electricity consumption under scope 2, as defined by the Greenhouse Gas (GHG) Protocol (operational control approach) and using individual country CO₂ emission factors retrieved from the International Energy Agency (IEA) Statistics – CO₂ emission factors from fuel combustion. Scope 1 is minimal or zero as scope 1 emissions is only from ad-hoc usage of diesel genset.

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Water

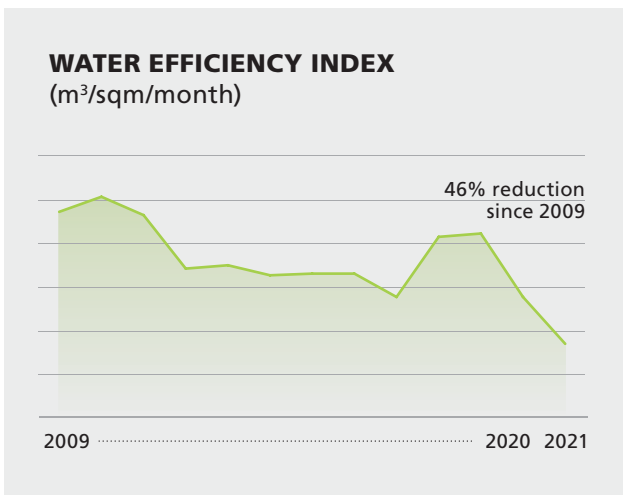
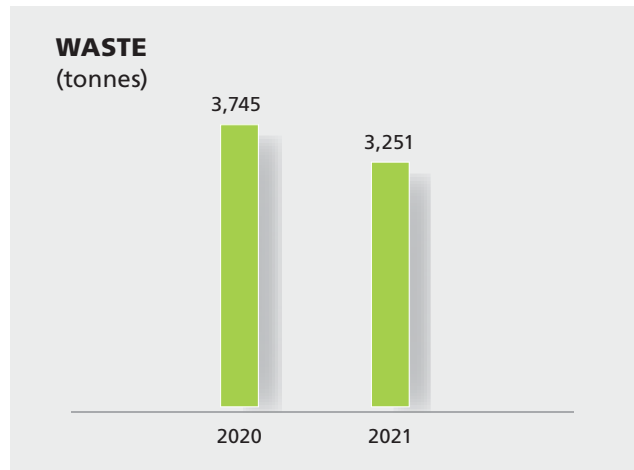
CLMT is committed to reducing water usage and preventing water pollution. Water usage and discharge for each property are monitored and checked regularly. In 2021, CLMT's water usage was approximately 425,781m³. Water intensity was reduced by 46% compared to 2009 baseline. The decrease was marginally due to movement restrictions enforced by the authorities as part of the measures to contain the pandemic.



Waste

In 2021, we collected 3,251 tonnes of non-recyclable waste, a reduction of 13.2% compared to 2020. Most of the recyclable waste collected comprised paper with the rest made up of metal, plastic, glass and others.

CLMT aims to manage waste at its properties responsibly. As waste generated at its properties is mostly from tenants, we engage our stakeholders through various means to minimise and recycle waste. Recycling bins are made available at all CLMT's properties.



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HUMAN CAPITAL

Our People

As an externally managed real estate investment trust, CLMT has no employees and is managed by the Manager and Property Managers. These teams have more than 240 employees and are responsible for CLMT's property and portfolio operations in Malaysia. We recognise that people are our greatest asset contributing to the success of the business. Our workforce comprises mainly full-time and permanent employees who are based in Malaysia.

Employment

Fairness and Diversity

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

CLMT upholds CapitaLand's commitment to be a workplace of choice for employees and adheres to its policies on non-discriminatory employment practices and equal remuneration. We have adopted the five key principles of fair employment advocated by the Tripartite Alliance for Fair and Progressive Employment Practices. This is reflected in the Employers' Pledge for Fair Employment Practices signed by CapitaLand.

The five key principles of fair employment we adhere to include:

- › Recruit and select employees on the basis of merit (such as skills, experience or ability to perform the job), regardless of age, race, gender, religion, marital status and family responsibilities, or disability
- › Treat employees fairly and with respect and implement progressive human resource management systems
- › Provide employees with equal opportunity to be considered 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
- › Comply with the labour laws and abide by the Tripartite Guidelines on Fair Employment Practices

For CLMT, we have a vibrant and competent team of employees in our workforce. New hires represented 12% of the total headcount in 2021. The workforce also comprises an almost equal ratio of male and female employees. Female employees are well represented in the middle and senior management levels. In 2021, close to 62% of the employees who are managers and above were female. Approximately 25% of the senior management, comprising those at Vice President level and above, were female.

To attract top talent, all job opportunities are advertised publicly via online job portals, with selections based wholly on individual merit. This is consistent with CapitaLand's non-discriminatory employment practices.

Human Rights

CLMT upholds and respects the fundamental principles set out in the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, United Nations Global Compact's principles on Human Rights and Malaysia government's legal frameworks and legislation to protect individual rights, i.e. Employment Act and Malaysia National Wages Consultative Council's Guidelines.

We have no acts of discrimination or human rights violation reported in 2021.

Positive Work Environment

We are committed to providing a positive and vibrant workplace that promotes personal development, good health and well-being, as well as a fulfilling career. We continue to have initiatives such as flexible hours and work arrangements, comprehensive medical benefits, and employee engagement programmes were implemented to foster a culture of high performance and work-life harmony. Part-time employees were entitled to the same benefits as their full-time colleagues, on a prorated basis.

We advocate a pay-for-performance philosophy to drive ownership of collective goals. This encourages a high-performance work culture, which supports the creation of long term Unitholders' value. For CLMT, we also adopt CapitaLand's robust performance management system to ensure that all employees receive regular performance and career development reviews.

Sustainability Management

Talent Management

We actively seek innovative, dynamic and talented individuals, both internally and externally, with the right experience level to support our growth. This is managed through the recruitment of talent across different career stages, from entry-level graduates to mid-career professionals and industry veterans. All new hires are required to undergo an orientation programme that helps them assimilate to CapitaLand's business operations, strategy, core values and management philosophy. We constantly build our management bench strength by identifying and developing high-potential talent as part of the regular succession planning process.

Our talent management programme addresses the development of organisational core competencies as well as position-specific competencies. During the annual performance and career development review, all employees are highly encouraged to openly discuss their performance and aspirations with their supervisors, as well as to identify any training needs.

Fair Remuneration

Our people are offered comprehensive and competitive remuneration packages. These include short-term cash bonus and long term cash-based and equity-based reward plans such as restricted cash, share and performance share programmes. Such cash-based and equity reward plans help to strengthen the link between reward and performance, as well as to retain talent.

As part of CapitaLand Group, CLMT employees enjoy a flexible benefits plan, paid maternity/paternity leave, and time off for volunteer work. A flexible benefits plan enables the employees to complement their personal medical and insurance needs with those provided by the company. Employees can also customise their benefits for themselves and their families.

To ensure that our remuneration packages are competitive, external human resource consultants are regularly engaged to benchmark our compensation and benefits packages against local industry peers. We also actively review our employee compensation strategies to ensure that they commensurate with market practice.

More than 63% of our employees have been with us for five years or longer. We conduct exit interviews with employees who have tendered their resignations as part of continuing efforts to improve retention policies and initiatives.

Learning and Development

CapitaLand encourages the cross fertilisation of talent and ideas and leverages on CapitaLand's Human Resource functions to develop our people. For CLMT, we are committed to talent development programmes that enable people to acquire the relevant knowledge and skills for business excellence and to reach their full potential.

CapitaLand allocates up to 1.5% of its annual wage bill towards learning and development programmes for employees. In line with its drive to upskill employees, CapitaLand conducts formal classroom training, and provides on-the-job exposure, mentoring and coaching, and opportunities for job rotation and overseas postings.

Our employees have direct access to a year-long training calendar comprising a series of pre-evaluated training courses. CapitaLand has an in-house training hub, CapitaLand Institute of Management and Business (CLIMB), which supports the training and development needs of employees.

CapitaLand also has in place training roadmaps and a wide variety of courses to equip our teams with the skills and confidence to carry out their duties. In 2021, approximately 100% of CLMT employees attended at least one training event, and the average number of training hours completed by each employee exceeded 13 hours. Employees pursuing relevant courses are eligible for paid examination leave of up to 10 days per calendar year.

Job Security

CLMT is committed to providing meaningful jobs for its employees. In the event of termination or employee resignation, there is a minimum notice period of one month that needs to be fulfilled, depending on the employee's job grade.

Re-employment Opportunities

In alignment with CapitaLand, CLMT has a re-employment policy in place for employees who have reached the current statutory retirement age of 60, to enable them to continue to work if they are still able and willing to continue contributing to CLMT. In 2021, four employees were above the age of 60.

Ethics and Integrity

In alignment with CapitaLand, CLMT adopts a strong stance against bribery and corruption. In addition to complying with clear guidelines and procedures regarding the giving and receipt of corporate gifts, all

Sustainability Management

employees are required to pledge their commitment to CapitaLand's core values, which includes upholding the highest standards of integrity.

CapitaLand has established a whistle-blowing policy and other procedures to provide employees and business partners with well-defined, accessible and trusted channels for reporting suspected fraud, corruption dishonest practices or other workplace improprieties.

The whistle-blowing policy and procedures also allow for the independent investigation of any reported incidents and appropriate follow-up action, while assuring whistle blowers of protection from reprisals.

In alignment with CapitaLand, CLMT upholds a strict policy on ethical business conduct, which deals with issues such as confidentiality, conduct and work discipline, corporate gifts and concessionary offers. Clear policies and guidelines on how to handle workplace harassment and grievances are also in place. These policies have helped to detect and prevent occupational fraud primarily in three ways:

First, we offer fair compensation packages, based on practices of pay-for-performance and promotion based on merit to our employees. We also provide various healthcare subsidies and financial assistance schemes to alleviate the common financial pressures our employees face.

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

Finally, we seek to build and maintain the right organisational culture through CapitaLand's core values, educating our employees on good business conduct and ethical values.

To instill CapitaLand's core values and principles, new CLMT hires are placed to undergo the CapitaLand Immersion Programme which includes a mandatory module on anti-corruption policies and procedures. Employees are retrained on how the core values and principles can apply to their daily work.

Occupational Health and Safety (OHS)

CLMT strives to achieve zero work-related injuries resulting in employee permanent disability or fatality

by adopting stringent OHS practices. Employees are expected to take ownership of OHS issues, and proactively report all OHS-related incidents alongside non-compliance and non-conformities. CLMT regularly monitors the operations to control workplace safety risks and strives to eliminate or minimise them through various measures. Hazards Identification and Risk Assessments are reviewed annually or when appropriate. OHS hazards are identified for the administration, development and operational functions of the business and risks are assessed. Standard operating procedures are in place to minimise the occurrence of such hazards.

In 2021, there was zero work-related fatality or permanent disability.

Employee Well-being

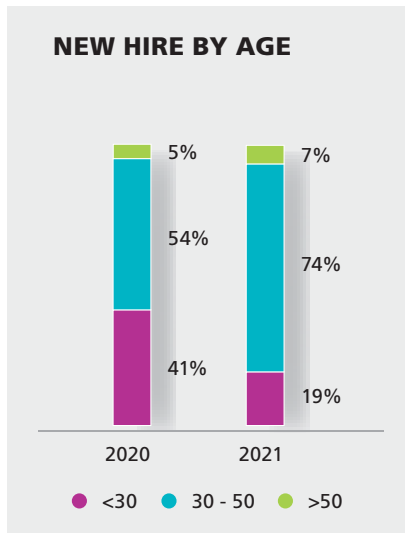
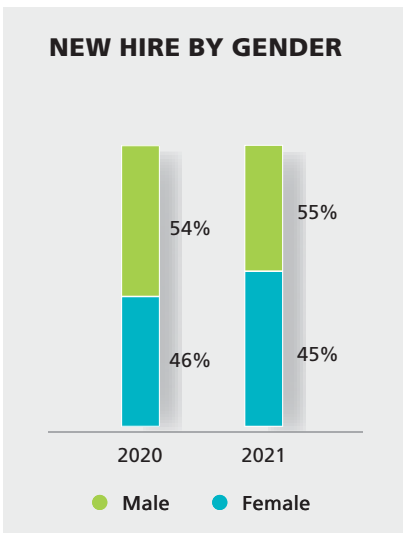
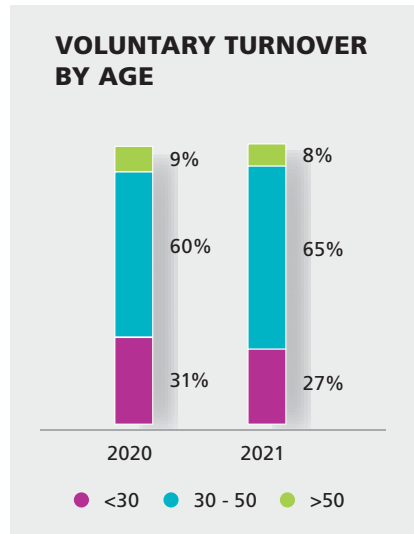
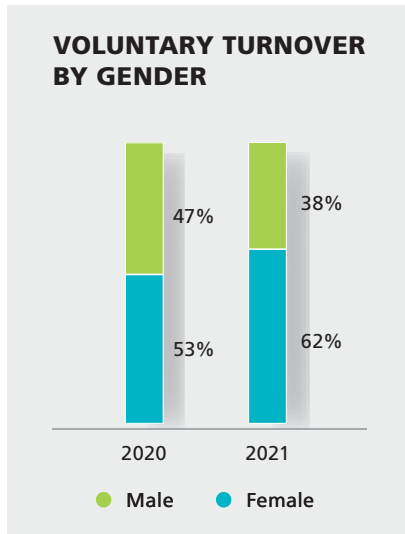
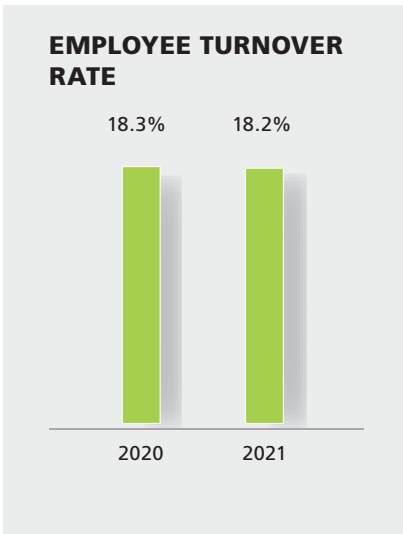
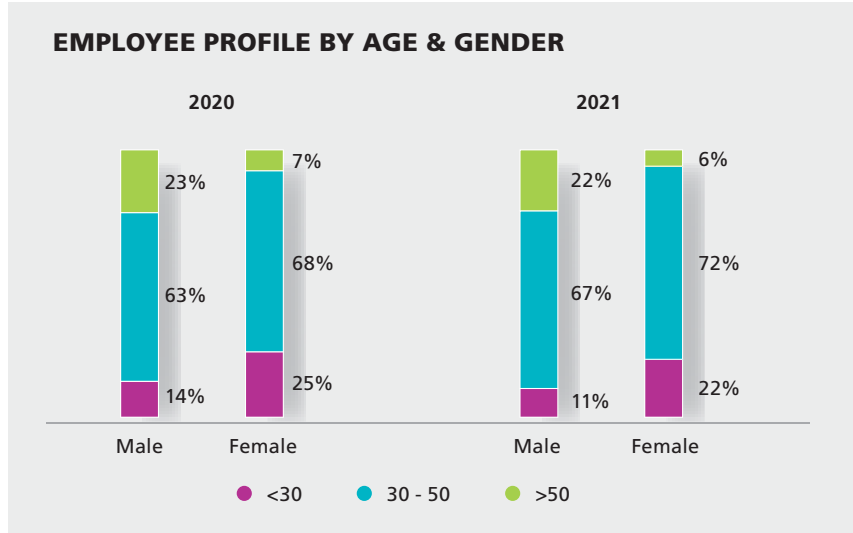
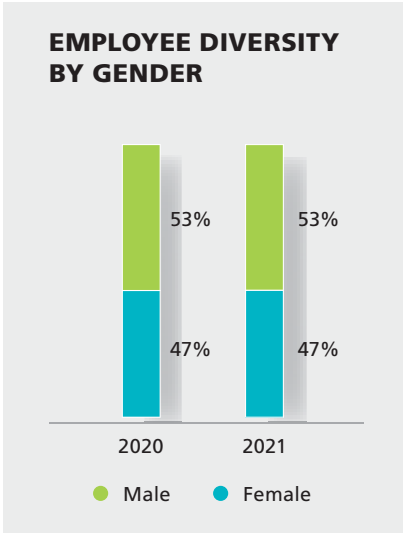
CLMT aims to provide a safe work environment that contributes to the general well-being of its employees. In Malaysia, this is carried out through a Total Well-Being Programme to promote health and well-being of all employee. CLMT supports the programme by engaging its workforce through regular health and recreational activities, as well as brainstorming workshops. We also have a flexible work arrangement policy that permits flexible work hours, working from home or part-time work arrangements for our workforce.

In 2021, some of the activities conducted to encourage a well-balanced and healthy lifestyle among employees include free COVID-19 screening, virtual health-related activities through Wellness Wednesday programmes on health talk, fitness and distribution of fruits box. Tips on healthy living and effective exercise were published regularly through CapitaLand's intranet and email blasts. CLMT also sent circulated regular reminders and updates of the latest information relating to COVID-19 to keep employees abreast with safety guides, standard operating procedures and government issued guidelines.

In 2021, save for those with medical condition, 100% of CLMT employees have completed two doses of COVID-19 vaccination. As we continue to adapt to the new norms and safe lifestyle, CLMT is forthcoming with hygiene and safety practices at workplace. Employees' concerns and anxiety are mitigated by proactively highlighting workplace sanitary health practices, provision of safety and health equipment and with sharing of guidelines by Ministry of Health.

Sustainability Management

Human Capital – Employee Profile



Sustainability Management

STAKEHOLDER ENGAGEMENT

Stakeholders are groups that CLMT's business has a significant impact on, and those with a vested interest in its operations. Key stakeholders include employees, customers, business associates, builders and suppliers, as well as the investment and local community. Other groups include regulators and key government agencies, non-governmental organisations (NGOs), representatives of the capital market and the media. They are mapped into groups based on their impact on CLMT.

Through the various engagement channels, CLMT seeks to understand its stakeholders' views, communicate effectively with them and respond to their concerns. Engagement channels include dialogues with government agencies, participation at conferences, member representations in industry-related associations, benchmarkings and responding to sustainability surveys.

Stakeholders	Engagement Channel	Issues	Sustainability Report*
Tenants	<ul style="list-style-type: none"> › Green fit out guide › Joint promotions and strategic partnerships › Tenant shop openings › Tenant satisfaction survey 	<ul style="list-style-type: none"> › Facilities management 	Social and Relationship Capital, Environmental Capital
Shoppers	<ul style="list-style-type: none"> › Marketing and promotional events › Loyalty programmes › Online and mobile platforms › Shopping redemptions and contests › Social media › Shopper survey 	<ul style="list-style-type: none"> › Customer experience 	Social and Relationship Capital, Environmental Capital
Investor, analysts and media	<ul style="list-style-type: none"> › Annual general meetings › Quarterly financial results announcements › Media releases and interviews › Annual reports › Company website › Regular investor and analyst meetings and updates › Roadshows, conferences and meetings › Tour of CLMT's properties 	<ul style="list-style-type: none"> › Operational efficiency, monetary savings, cost avoidance › Return on equity, earnings, business strategy, market outlook › ESG risks and opportunities 	Financial Capital, Social and Relationship Capital
Employees	<ul style="list-style-type: none"> › Regular dialogue sessions with senior management › Regular employee engagement survey › Volunteer programmes › Performance appraisals › Training courses 	<ul style="list-style-type: none"> › Work-life balance › Remuneration and benefits › Employee welfare 	Human Capital, Social and Relationship Capital

Sustainability Management

Stakeholders	Engagement Channel	Issues	Sustainability Report*
Supply Chain – main contractors, vendors, suppliers	<ul style="list-style-type: none"> › CapitaLand Supply Chain Code of Conduct › Environmental, Health and Safety (EHS) › Policy and quarterly EHS monitoring › Vendor evaluation, including events, meetings and trainings 	<ul style="list-style-type: none"> › Design and quality › Occupational health and safety practices › Workers welfare and well-being › Environmental compliance 	Human Capital, Social and Relationship Capital, Environmental Capital
Government/ national agencies/ community and non-governmental organisations (NGOs)	<ul style="list-style-type: none"> › Longstanding partner of various national programmes › Sustainability reports › Participation in external conferences/forums › Corporate advertisements › Consultation and sharing with academics, NGOs and business associations 	<ul style="list-style-type: none"> › Stakeholder programmes to advocate sustainable tenant/consumer behaviours › Advocating best practices 	Social and Relationship Capital

* For more information, please refer to the CapitaLand Investment Global Sustainability Report 2021.

OUR COMMUNITY

#GivingBersama

In 2021, CLMT collaborated with CapitaLand Malaysia, to provide essential supply relief to support more than 650 children from vulnerable communities in Malaysia. The beneficiaries are from 17 orphanages in the Klang Valley, Kuantan, Penang and Johor. Aside receiving daily necessities for a period of three months, the children were also provided with digital devices to enable them access to remote learning and remain digitally connected. The donation is made possible with funding from CapitaLand Hope Foundation (CHF), CapitaLand's philanthropic arm.



RM Caring Home was one of the beneficiary homes for the #GivingBersama corporate social responsibility programme

With the support of CapitaLand Hope Foundation, CapitaLand Malaysia together with CLMT committed RM150,000 to support the efforts of Mercy Malaysia in respect of the flood that affected various parts of Malaysia in December 2021. Mercy Malaysia's 2021 Malaysia Flood Response, Recovery and Preparedness Plan was drawn up to assist in the ongoing emergency response and relief work of the affected communities.

FEEDBACK

CLMT values feedback from stakeholders which is essential for continual improvement in its sustainability policies, processes and performance. Please send your comments and suggestions to ask-us@clmt.com.my.



Digital devices were also provided to the beneficiaries to provide better access to remote learning