

MCT's Commitment

We are pleased to present our inaugural Sustainability Report. For MCT, we believe that the sustainability of the economic, environmental and social areas supports the well-being of our business and enhances the creation of long-term value to our stakeholders. We also recognise that our continued success depends on our ability to manage the business in a sustainable and socially responsible manner. For these reasons, MCT is committed to incorporate sustainable initiatives – from how we plan and manage our properties, to how we conduct business with different stakeholders, cultivate a positive work environment for employees, and engage meaningfully with the local community – that support the society's well-being and protect the environment.

About this Report

This inaugural sustainability report, published ahead of the effective date of the SGX's sustainability reporting requirements, demonstrates MCT's commitment to sustainability and the ongoing efforts that have been undertaken. The reporting period is from 1 April 2016 to 31 March 2017.

This report scope covers the five properties within MCT's portfolio – VivoCity, MBC I, PSA Building, Mapletree Anson and MLHF. The report also incorporates information on social and governance practices that are either specific to MCT or apply across

the Mapletree Group which are still relevant to MCT. MCT will publish its sustainability report on an annual basis.

This report addresses some of the requirements prescribed by the SGX Listing Rules – Sustainability Reporting Guide, as well as references the Global Reporting Initiative ("GRI") Standards (2016). The GRI Standards are one of the global best practice guides for reporting on a range of economic, environmental, social and governance factors.

MCT seeks to further integrate sustainable practices into our business and share our progress in the coming years. We also welcome suggestions so that we can help further improve our sustainability practices. Feedback and comments can be directed to Ms Teng Li Yeng, Vice President, Investor Relations via email: enquiries_mct@mapletree.com.sg.

Sustainability Governance

MCT's sustainability management comes under the purview of its Sponsor's Sustainability Steering Committee ("SSC"), which is co-led by the Deputy Group Chief Executive Officer, and the Head of Group Corporate Services and Group General Counsel. The SSC includes the four Chief Executive Officers ("CEOs") of the REIT managers and other members of the Sponsor's Senior Management team. Ms Sharon Lim, the Manager's Executive Director and CEO, represented MCT in this committee in FY16/17. The SSC develops sustainability strategies and manages overall sustainability performance.

The SSC is supported by the Sustainability Working Committee ("SWC") which comprises representatives across business units and functions. The SWC implements, executes and monitors policies and procedures across the organisation.

The Board is updated regularly on the key material factors identified by stakeholders and the sustainability management performance of Mapletree.

Materiality Assessment

A formal Group-wide materiality assessment exercise was conducted in FY16/17, which took reference from the GRI Standards' (2016) Materiality Principle. The assessment, facilitated by an independent sustainability consultant, comprised a three-step process to identify, prioritise and validate environmental, social and governance ("ESG") factors. Key internal stakeholders, including the SWC, responded to an online survey to identify stakeholders' concerns that are significant to the business. The SWC then participated in a workshop to rank these factors. The final evaluation was a validation session with the SSC.

During the materiality assessment, factors such as industry best practices, global and local emerging trends, and business risks that were identified within the Group's ERM framework were considered. Eight sustainability factors were identified and presented to MCT Board in FY 16/17.

Material Factors

Economic	1. Economic performance ¹
Environment	2. Energy
Social	3. Health and safety 4. Talent retention 5. Local communities
Governance	6. Marketing communications ² 7. Anti-corruption 8. Compliance with laws and regulations ²

ENVIRONMENT - SUSTAINABLE BUILDINGS

The global real estate sector has been trending towards sustainable or “green” buildings in recent years. Improving the environmental performance of office and retail properties not only demonstrates a commitment to reduce the environmental impacts of the real estate industry but also produces business benefits such as costs savings that can be passed on to tenants.

Local developments in this area include Singapore’s increased commitment to the environmental sustainability of buildings through various BCA regulations and schemes, which the Mapletree Group fully supports. The Manager is committed to minimising the environmental impact of its business operations and does so through various eco-efficient initiatives.

In MCT’s office, the Sponsor’s ongoing “Mapletree Goes Green” initiative seeks to encourage employees to adopt green practices such as using refillable water bottles and printing on both sides of paper. Going forward, MCT will continue to improve energy and water conservation.

Energy

MCT taps electricity in property management and operations, such as for lighting, air-conditioning and elevators. Energy use and its associated GHG emissions pose a significant environmental issue, due to the role GHG emissions play in global warming.

MCT sets out to improve energy efficiency through better management of owner-controlled areas as well as encouraging tenants to practise energy efficiency in their own areas. The Manager has implemented a number of policies and initiatives to implement better management practices. One of the key initiatives by MCT was to implement systems to measure and track environmental performance across its properties. The Property Management department monitors the monthly utilities consumption of MCT’s properties to identify opportunities to improve resource efficiency. In addition to using this data for internal management purposes, the Manager also complies with the submission of building-related information and energy consumption data to the BCA on an annual basis. The information is compiled in the BCA Building Energy Benchmarking Report to spur building owners and managers on in improving their energy conservation efforts.

To date, the Manager has undertaken the following efforts to incorporate green practices into the management of its properties:

- Upgrading to improve efficiencies of air-conditioning systems;
- Improved monitoring and control systems to optimise electricity usage;
- Use of energy efficient lighting fixtures to reduce electricity consumptions; and
- Active participation in events such as “Lights Off” for Earth Hour and Earth Day to raise public awareness.

In December 2016, the Manager completed the replacement of metal halide exterior lightings at VivoCity with LED lightings. Besides energy savings, LED lights are more effective as they do not require warm-up time and full brightness can be achieved instantaneously upon turning on. The use of LED lightings enhances operational efficiencies given their longer lifespans and low maintenance requirements. Due to the high locations of these exterior lightings, the use of LED lightings greatly reduces the usage of access equipment which in turn contributes to operational savings.

The Manager also supports the third Green Building Master Plan by the BCA, through which Singapore aspires to become a global leader in

1. Refer to Financial Review & Capital Management and Financial Statements sections.
2. Discussed briefly in this report. Refer to Corporate Governance and Risk Management sections for more details.

green buildings, enabling sustainable development and quality living. Some features of Green Mark buildings include greater climatic responsiveness, higher energy effectiveness, increased resource efficiency, and smarter and healthier indoor environments. MCT strives to achieve and maintain at least the BCA Green Mark Gold accreditation for all properties. Monthly engineering forums are conducted to discuss ongoing

applications or the renewal of Green Mark certifications for its buildings.

From July 2015 to September 2016, the Manager embarked on a series of works at PSA Building to further enhance the system energy efficiency of the air-conditioning system. These include an overhaul of chillers, optimisation of the pumping system,

installation of variable speed drives for the condenser water pumps and cooling towers, removal of non-essential balancing valves for the chilled and condenser pipes to reduce pressure loss. As a result of these enhancements, efficiency of the chiller system has improved by more than 11% to 0.72kW/RT, resulting in higher overall energy efficiency.

In recognition of the Manager's efforts towards environmental sustainability, MCT's properties have been awarded the following certifications:

Property	Environmental certifications and accolades
VivoCity	Green Mark Gold Award, BCA
MBC I	Green Mark Platinum Award, BCA
PSA Building & ARC	Green Mark Gold ^{Plus} Award, BCA
Mapletree Anson	Green Mark Platinum Award, BCA
MLHF	Green Mark Gold Award, BCA

Going forward, the Manager will continue to embark on suitable initiatives to enhance energy conservation and maintain efficient energy consumption rates across MCT's properties year-on-year.

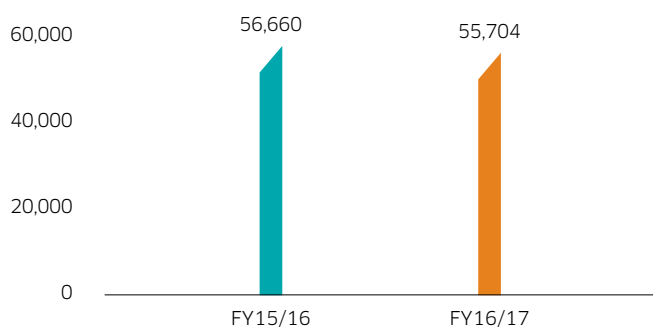
Energy Consumption and GHG Emissions

In FY16/17, total energy consumption at four properties – VivoCity, PSA Building, Mapletree Anson and MLHF – recorded 55,704 megawatt hours ("MWh"), a

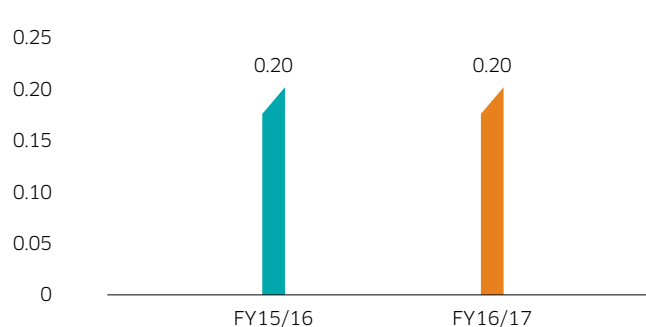
reduction of 1.7% from 56,660 MWh in FY15/16. Average building energy intensity remained at 0.20 MWh/m² in both FY15/16 and FY16/17³. These results demonstrate the effectiveness of MCT's approach and efforts in reducing energy consumption.

Total GHG emissions from electricity at the four properties were 24,025 tCO₂e in FY16/17, a 1.9% decrease from 24,488 tCO₂e in FY15/16. Average GHG emissions intensity remained at 0.09 tCO₂e/m² in both FY15/16 and FY16/17.

Building Electricity Consumption (MWh)

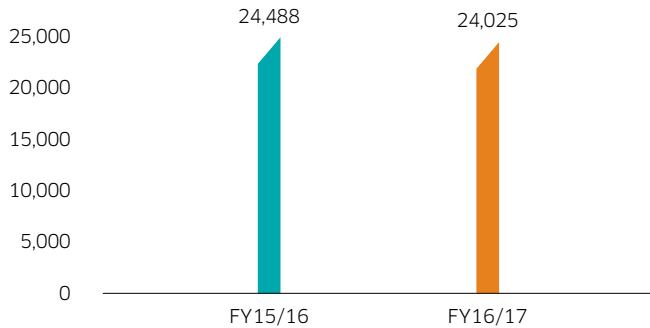


Average Building Electricity Intensity (MWh/m²)

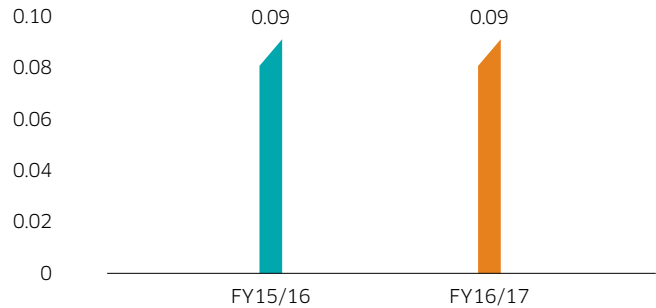


3. The electricity consumption and GHG emissions figures reported exclude data from MBC I, which was acquired on 25 August 2016. The figures reported also exclude the usage of power and lighting by tenants within the lease premises.

GHG Emissions (tonnes of CO₂e)



GHG Intensity (tonnes of CO₂e/m²)



SOCIAL – PEOPLE AND COMMUNITIES

MCT recognises its responsibilities to ensure the health and safety of its immediate stakeholders, and its role as a corporate citizen in the community.

Health and Safety

MCT is committed to safeguarding the health and safety of these four stakeholder groups, namely employees, third party service providers (such as cleaning and security contractors), building tenants and visitors:

Employees

The work space and environment are safe and conducive for employees. Health-related programmes are organised at the premises in conjunction with Health Promotion Board while health and safety policies for employees are outlined in the Employee Handbook.

Third-party service providers (“TPSP”)

Requirements on health and safety standards are embedded within the selection criteria for the engagement of contractors and other third-party service providers.

Tenants

Tenants are provided with the following instructional manuals to ensure that the highest health and safety standards are adopted: a Fit-Out Manual which details clauses on safety rules for additions and alterations works, and a Tenant Handbook which contains clauses on safety rules and specifies some “Dos and Don’ts” in their business operations.

Fire drills are conducted twice a year to familiarise tenants with the emergency evacuation procedures and assembly areas. Regular communications in the form of circulars are issued to tenants as and when heightened security and health risk arise, such as during external terrorist acts and haze situation.

Tenants are also encouraged to use environmentally-friendly products and limit the use of items that will negatively impact indoor air quality.

Visitors

Buildings have sufficient directional signage, emergency exits and emergency lightings for the safety of visitors. Lifts and fire alarm systems are tested annually to comply with building regulations.

To strengthen operational readiness, SOPs have been put in place to respond to emergencies. A Company Emergency Response Team ("CERT") was set up within each property to manage any health and safety incidents. Personnel within the CERTs are trained in first aid and possess fire-fighting abilities. These teams also include Property Management technicians who are licensed to operate scissor

lifts and boom lifts for maintenance and repairs. The Manager adheres to the Sponsor's reporting protocol in the event of construction accidents at any of its development sites. This allows for timely investigation and execution of preventative and corrective actions. The Manager also complies with the Ministry of Manpower's reporting requirements on workplace incidents, where necessary.

Business continuity measures including fire and safety drills were tested and fine-tuned at all properties during the year. The properties are also subject to fire safety audits.

Going forward, the Manager aims to continue engaging with its employees to play a more active role in mitigating the health and safety risks within its properties.

Employees

Continue to conduct regular health & safety trainings for all employees.

TPSPs

Engage third-party service providers in regular meetings to discuss and monitor their health & safety performance.

Tenants and Visitors

Conduct risk assessments prior to the commencement of fitting out works, and ensure buildings are well maintained and all hazards are clearly signposted.

Health and Safety Performance

There were zero reported workplace fatalities and zero major accidents among the Manager's employees in FY16/17. Within the reporting period, there was no incident of non-compliance with health and safety regulations.

Talent Retention

Human capital is a key asset to the Manager. MCT believes in investing in its people and is committed to create a diverse, inclusive and collaborative workplace. It does so through a range of training programmes tailored to meet the needs of employees, as well as holistic human resource policies and regular engagement activities aimed at creating an environment that provides work-life balance.

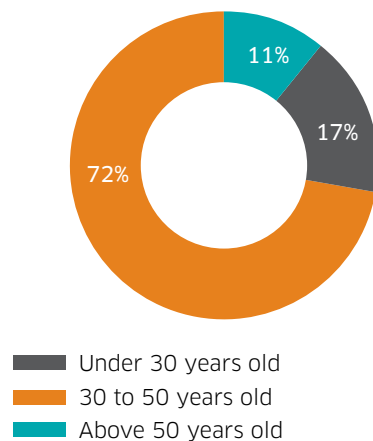
Talent Attraction

MCT recognises that the long-term sustainability of its business is influenced by its ability to attract and retain talent. The Sponsor has

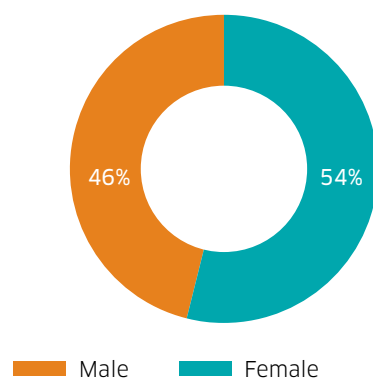
developed integrated human capital strategies and initiatives with a strong emphasis on equal opportunities, talent development, competitive compensation and employee wellness. Employment practices have been refined to adhere strictly to local labour laws. Human resource policies are further grounded on equal opportunities and fair employment practices. All human resource policies are made available to employees via inclusion in the Employee Handbook.

The Manager has maintained a diverse workforce in terms of age, gender and skillsets. As of 31 March 2017, MCT has 157 employees located in Singapore. The average turnover rate for the year was 1% while the average new hire rate was 2%. As at 31 March 2017, 17% of employees were in the under 30 years old age group, 72% were in the 30 to 50 years old age group, while 11% were in the above 50 years old age group. Female and male employees respectively constituted 54% and 46% of the entire staff population as at 31 March 2017.

Age Diversity



Gender Diversity



Developing People

The Manager believes that having engaged staff is a vital asset. To that end, the Group invests in learning and development programmes and initiatives to build a strong, capable and motivated team equipped with the relevant competencies and skillsets.

The Manager promotes an active approach to learning. Employees are encouraged to participate in various learning and development programmes conducted throughout the year. Some learning and development initiatives relevant for MCT are the Mapletree Immersion Programme, Mapletree Leadership Programmes, Mapletree Performance Management workshops as well as various functional and technical training programmes.

To support continuous employee development, a robust performance appraisal system allows employees to communicate their development goals and identify any learning needs. During the annual performance appraisal exercise, all employees receive feedback from supervisors on their performance and areas for improvement.

Employee Well-being

The Manager advocates creating a positive and engaging working environment. The Mapletree Recreation Club, which is managed by the Sponsor, continues to organise activities to promote staff interaction. Events and activities held during the year include Durian Fest 2016, Mapletree's Movie Event 2016, Christmas Cookies Distribution 2016 and Safari Zoo Run 2017.

Together with the Health Promotion Board, Mapletree continues to organise the Workplace Health Promotion series, which is extended to all tenants

of its flagship development, MBC, in Singapore. These activities include lunchtime talks on lifestyle topics, and monthly specially choreographed dance fitness programmes. Mapletree also holds annual health screening session as well as blood donation drive. Apart from promoting work-life balance, these programmes create a vibrant business community within MBC.

In FY16/17, Mapletree launched the Mapletree Education Award ("EduAward") to recognise the academic achievements of its Singapore-based employees' children. Comprising cash awards ranging from S\$150 to S\$500, the EduAwards are presented twice a year, with the first batch of 41 awards given out in March this year.

Local Communities

The Manager seeks to build long-term relationships with its communities. It is committed to deliver positive social impacts by supporting projects and causes that are of concern to its stakeholders and the communities in which it operates.

Underpinning its efforts is the Mapletree Shaping & Sharing Programme, a group-wide Corporate Social Responsibility ("CSR") framework which focuses on two broad objectives of empowering individuals and enriching communities. A five-member Board Committee comprising the Sponsor's Chairman, two Board representatives from the four REITs (rotated on a two-year basis) and the Sponsor's Senior Management, provides strategic oversight on the Programme.

The Group Corporate Communications team assesses all proposed community involvement initiatives against the Mapletree CSR framework and makes recommendations to the CSR Board Committee for their final assessment.

Activities which have definable social outcomes and longer-term engagement, as well as staff volunteerism opportunities, are prioritised.

Mapletree aligns business performance with its CSR efforts by setting aside S\$1 million annually to fund social commitments and programmes. This increases to S\$2 million when the Group's profit after tax and minority interests ("PATMI") for the year exceeds S\$300 million, as it did in FY15/16.

Engaging Tenants

The Manager works closely with tenants to achieve high levels of service quality.

Since July 2010, VivoCity has been conducting monthly Service Excellence Workshops as an in-house induction programme for new employees at the mall from both tenants and VivoCity Centre Management Office. The programme focuses on VivoCity's Service Culture, tips on building customer loyalty, managing customer complaints and service delivery Do's and Don'ts. Each participant of the workshop is given a Service Excellence handbook which provides practical tips and real-life examples of handling customers.

Regular networking sessions are also conducted with MCT's tenants for the Manager to better understand their needs, and to receive valuable feedback on the management of the properties. In an environment of rising costs, the Manager strives to help tenants where possible. During the year, the Manager continued to devote resources to identify and organise activities that will more directly and effectively drive tenant sales.

Contributing to a Better Society

MCT's retail malls, with healthy shopper traffic, are ideal platforms to increase the visibility and impact of philanthropic, social and environmental causes. During the year, VivoCity continues to provide venue sponsorship for exhibitions and events that further these causes. Total sponsorship stood at S\$142,150 in FY16/17. Some of the meaningful causes that MCT has supported include:

<p>PaTH Market April 2016 - March 2017</p>	<p>Hair for Hope 2016 30 - 31 July 2016</p>	<p>One Team Singapore Celebratory Parade for Paralympians 24 September 2016</p>
<p>VivoCity has been supporting the PaTH (Pop and Talent Hub) Market, a social initiative by Social Innovation Park Ltd, since 2007. PaTH Market is Singapore's first social enterprise talent development platform that exposes budding entrepreneurs from marginalised groups to mentors, networks and commercial sales platforms. While nurturing creative talents, PaTH gives individuals the opportunity to create sustainable business ventures.</p>	<p>Hair for Hope, an annual event organised by Children Cancer Foundation, invites members of the public to shave their heads onsite in support of children with cancer. It is the only head-shaving event in Singapore that serves to raise funds and awareness of childhood cancer. The event also provides a platform for the public to show their support by means of monetary pledging. Funds raised contribute to the annual running costs for critical programmes and services to the children and their families. VivoCity has been supporting this event as a venue sponsor/partner since 2010.</p>	<p>VivoCity provided venue sponsorship for the One Team Singapore Celebratory Parade to commemorate their achievements at the Rio 2016 Paralympic Games. The parade provided a platform for members of the public to meet the athletes and celebrate their achievements.</p>
<p>Singapore Red Cross Advocacy Programme 11 - 13 November 2016</p>	<p>PathLight School and Purple Parade 17 - 18 November 2016</p>	<p>Singapore Heart Foundation 27 March - 2 April 2017</p>
<p>The Singapore Red Cross ("SRC") serves as the national blood recruiter and disaster relief agency. VivoCity was the venue sponsor for SRC's advocacy programme to recruit members, donors and volunteers.</p>	<p>The Purple Parade is a movement that supports the inclusion of persons with special needs. This is done through raising the public's awareness of their abilities to contribute meaningfully to the community. During the year, the Manager organised a joint charity sale for Pathlight School and the Purple Parade. 16 employees were involved in the retailing of merchandise and all sales proceeds were channelled to The Art Faculty, The Animal Project and Purple Parade.</p>	<p>The Singapore Heart Foundation ("SHF") organises various awareness campaigns to educate the public on the landscape of heart disease in Singapore and to garner donors to help those in need. ARC was a venue sponsor for SHF.</p>

In addition to venue sponsorships, staff volunteers from the Manager headed to a preschool at Telok Blangah on 9 November 2016 to share Mr Lee Kuan Yew's vision for Singapore by reading the Mapletree-commissioned book "What's Inside the Red Box?". The Manager is committed to advance CSR efforts to contribute to a better society.

Community Feedback

As a responsible corporate citizen, MCT continues to explore ways to create sustainable long-term value for its communities. To achieve this, the Manager is developing feedback mechanisms to gather input from the local community on ways it can improve the social and environmental impacts of its business activities. The Manager gathers community concerns via electronic feedback forms, customer service hotlines, and concierge counters in malls.

GOVERNANCE – ENSURING COMPLIANCE

As a listed entity, MCT's business activities are subject to numerous laws and regulations. A breach of any law or regulation could significantly inhibit its ability to operate and diminish stakeholder trust, in particular:

- **Anti-corruption**

Corruption is high on the agenda in Singapore. Being proactive in preventing corruption is part of the Group's culture and being a good corporate citizen.

- **Dissemination of marketing collateral**

Marketing collaterals are distributed for promotion of investment opportunities into the REIT and to promote its properties to potential tenants. The display and dissemination of such information is subject to various regulations and laws.

Managing compliance

The Manager observes a high standard of corporate governance and transparency in its business operations. A corporate governance framework was implemented with policies that were developed to uphold the Group's core values. Employees are required to adhere to the ethics and code of conduct and maintain high levels of integrity.

The policies include specific guidance on anti-corruption practices – such as the prohibition of bribery, acceptance or offer of lavish gifts and entertainment. The Whistleblowing Policy establishes procedures for reporting in good faith any improper conduct while protecting whistleblowers from reprisals. For more information, please refer to page 78 of this annual report.

The Manager reserves the right at all times to terminate an employee's services if he/she is found guilty of fraud, dishonesty or criminal conduct in relation to his/her employment. Employees are required to comply with the Group's policies and procedures at all times and in all areas, including attendance, safe work practices and professional conduct.

Procedures are in place to monitor and manage the risk of non-compliance with laws and regulations, including the anti-money laundering policy. Where there are cases of threatened or pending litigation, they are reported

at once to the CEO of the Manager and the Head of Group Corporate Services and Group General Counsel for timely resolution. On dealing in the listed units of Mapletree REITs, directors and employees receive notifications prior to the start of any trading ban periods to ensure compliance.

All marketing collaterals are vetted by the Marketing Communications team for accuracy, consistency, and compliance with policies, such as the Singapore Code of Advertising Practice and the Personal Data Protection Act ("PDPA"), to avoid misrepresentation to potential customers. Reviews are performed to ensure that community outreach materials which involve the collection of personal data include an option for consent as well as the relevant clause from the PDPA.

The Manager also ensures that licenses are applied for and renewed as required. This includes licenses from COMPASS for the use of music in building premises and licenses from the Fire Safety Bureau for the setting up of any temporary structures in malls.

Going forward, the Group intends to conduct training for directors and employees as and when there are substantial new areas of law.

For FY16/17, there were no material breaches of relevant local laws and regulations, including marketing communication and anti-corruption laws.