

**SUSTAINABILITY
REPORT 2016**

WE FOCUS ON SUSTAINABILITY
TO MAKE OUR FUTURE STRONGER



MISSION AND VISION

Cambridge Industrial Trust (“CIT”) is committed to providing its Unitholders with a stable and secure income stream, through the proactive management of its property portfolio and with the intention to deliver long-term capital growth.

CONTENTS

1 Board’s Message on Sustainability

INTRODUCTION

2 Cambridge Industrial Trust (“CIT”) Ecosystem
3 Stakeholder Engagement
4 Materiality Assessment
5 About the Report

GOVERNANCE

6 Corporate Governance
7 Enterprise Risk Management
8 Compliance

ENVIRONMENT

9 Energy and Carbon Emissions
12 Water Stewardship
12 Waste Management

ECONOMIC PERFORMANCE

15 Singapore Economic Context and Land Tenure
15 Capital and Asset Management

SOCIAL

18 Tenant Engagement and Product Responsibility
18 Quality Of Assets And Services
18 Tenants And Visitors – Health, Hygiene And Safety
18 Tenant Satisfaction

OUR PEOPLE

19 Team Profile
21 Talent Attraction and Retention
21 Diversity and Equal Opportunity
22 Team Members’ Wellness and Engagement
24 Community Investment and Development

BOARD MESSAGE ON SUSTAINABILITY

As the Board of Directors (“BOD” or “The Board”) of the Manager of CIT (“CITM” or the “Manager”), we recognise that creating sustainable value for all of our stakeholders remains at the heart of our business. As one of Singapore’s pioneer Real Estate Investment Trusts (“REITs”), we aim to be amongst the first to adopt progressive sustainability practices. We believe that for us to prosper, the communities we serve and operate in have to prosper as well. We are committed to being an active contributor in elevating society and minimising our environmental footprint. We recognise that exceptional environmental, social and governance (“ESG”) performance will bring us a host of advantages in the long term – driving operational performance excellence, managing risks, discovering opportunities, protecting the assets of CIT and the interests of its unitholders (“Unitholders”).

Guided by our beliefs and our commitment, we have actively sought to align our business strategies, policies and practices with our sustainability objectives. Our sustainability approach remains focused on value creation for all our stakeholders.

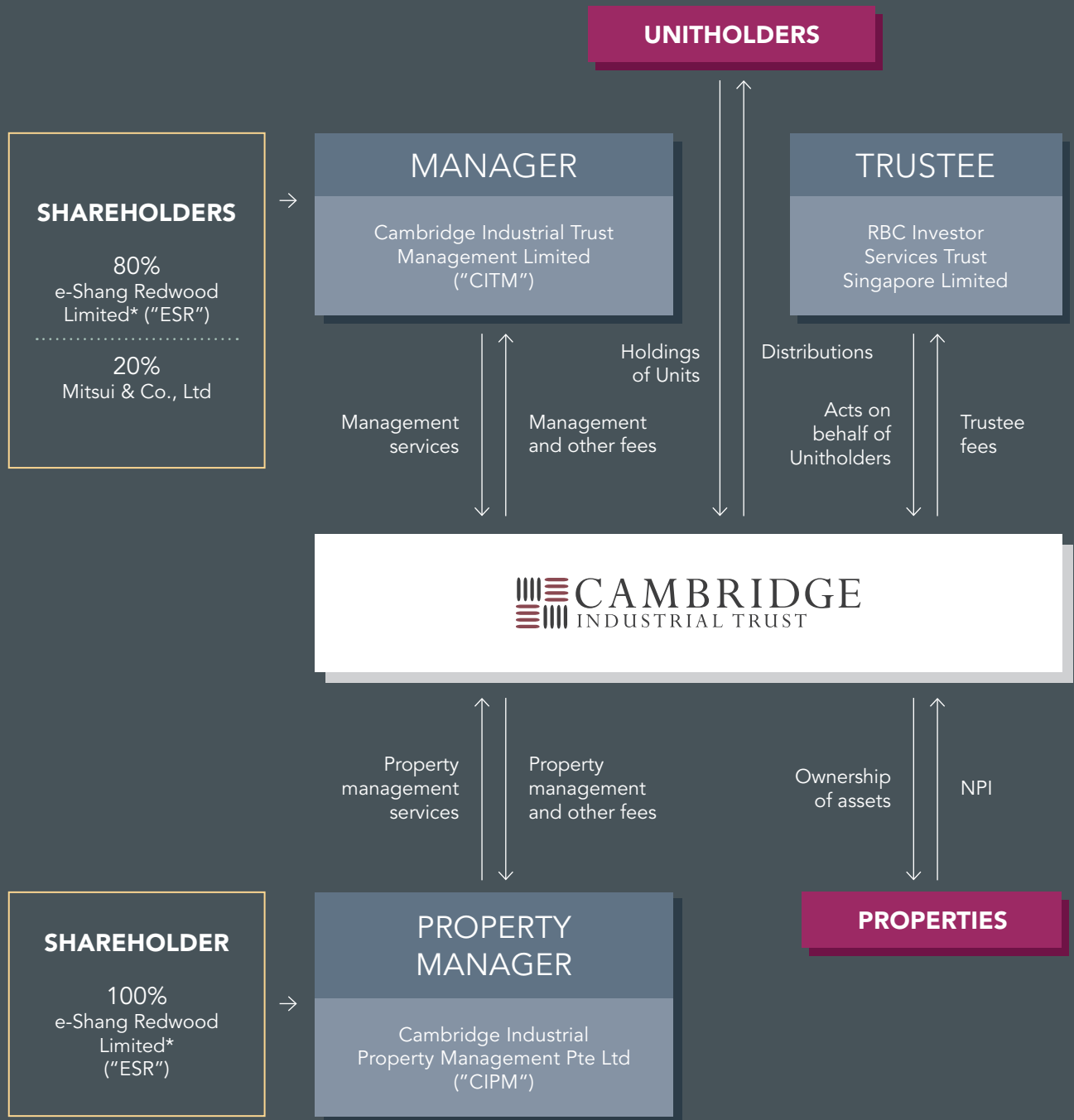
The Board has set a strategic direction to achieve CIT’s sustainability goals through ensuring good corporate governance, complying with regulations, managing of enterprise risks, exercising prudence in financial management, providing quality assets and services, achieving tenant satisfaction, upholding health and safety standards, ensuring diversity and equal opportunity of workforce, limiting environmental impact, utilising resources efficiently and engaging with the communities in which CIT operates in. We are proud that our sustainability efforts have earned us a position in the inaugural Singapore Exchange Securities Trading Limited (“SGX-ST”) Sustainability Leaders Enhanced Index in 2016.

Supported by the Sustainability Committee and the Management team, the Board continues to identify, manage and address ESG factors material to our business. We are confident that our continued efforts will have an impact on overcoming society’s sustainability challenges of today and tomorrow.

INTRODUCTION

CIT ECOSYSTEM

Figure 1: Structure and relationship between CIT, the Manager and Cambridge Industrial Property Management Pte Ltd ("The Property Manager" or "CIPM")



* CITM and CIPM are 80% and 100% owned respectively by Cambridge Real Estate Investment Management Pte Ltd which is indirectly owned by ESR

STAKEHOLDER ENGAGEMENT

Both the Manager¹ and the Property Manager have in place processes for effective communication with key stakeholders. The main objective is to ensure timely and transparent communication on all aspects of business affairs and performance of CIT. The approach towards stakeholder engagement is summarised below in Figure 2.

Figure 2: Stakeholder engagement with key stakeholder groups

	What is important to stakeholders	How we are engaging with stakeholders
 <p>UNITHOLDERS / INVESTORS</p>	<ul style="list-style-type: none"> Long-term sustainable distribution and total returns Strategic outlook and growth prospects Timely updates on portfolio performance, asset and capital management, asset enhancement initiatives ("AEIs"), acquisitions and divestments as well as major corporate developments 	<ul style="list-style-type: none"> Dedicated investor relations team Dedicated investor relations section of the company's website Quarterly announcements of financial results Half-yearly results briefings for analysts and media Regular financial and non-financial performance updates Annual General Meeting Investor conferences, face-to-face meetings and Non-Deal Roadshows
 <p>BOARD OF DIRECTORS</p>	<ul style="list-style-type: none"> Overall corporate governance and sustainability Setting up of strategic objectives, broad policies, procedures and targets Ensuring regulatory compliance Ensuring that the organisation meets the needs and expectations of stakeholders 	<ul style="list-style-type: none"> Orientation and training programmes for new Directors Regular face-to-face meetings and calls Timely updates from key management on relevant business activities
 <p>MANAGEMENT TEAM AND TEAM MEMBERS</p>	<ul style="list-style-type: none"> Empowerment and active engagement Competitive remuneration and benefits Job security, stability and career progression Health, workplace safety and work-life balance Equality and diversity at the workplace 	<ul style="list-style-type: none"> Orientation and training programmes for new team members Bi-annual performance review Training programmes Monthly team members' meetings Weekly Heads of Departments' meetings Team bonding activities and health initiatives
 <p>EXISTING AND POTENTIAL TENANTS, OTHER END USERS</p>	<ul style="list-style-type: none"> Competitive rental rates and locations Health and safety in the facilities Security practices and management 	<ul style="list-style-type: none"> Open communication Frequent site visits and face-to-face discussions Social and networking events Tenant satisfaction survey Support for key tenants' corporate milestone events
 <p>GOVERNMENT AGENCIES AND INDUSTRY ORGANISATIONS</p>	<ul style="list-style-type: none"> Compliance with applicable laws and regulations Overall economic, environmental, social and governance impact of organisation 	<ul style="list-style-type: none"> Periodic participation in industry forums and dialogues Membership in industry associations such as REIT Association of Singapore ("REITAS"), etc.
 <p>LOCAL COMMUNITIES</p>	<ul style="list-style-type: none"> Responsible operations Support in community development and activities Creation of employment opportunities Compassion and care for the underprivileged in society 	<ul style="list-style-type: none"> Partnerships and sponsorships for events and programmes Giving back to the community through donations and participation in meaningful work

¹ Please refer to Figure 1 and to CIT's Annual Report 2016, p.17 for Group structure of CIT and roles and responsibilities of the Manager and the Property Manager

INTRODUCTION

MATERIALITY ASSESSMENT

Following the first materiality assessment in early 2016, the Manager conducted a review of all material issues in November 2016 to evaluate the relevance of the material sustainability issues. Material issues remain relevant across the two sustainability reporting years. Figure 4 presents the list of material issues identified and mapped against the GRI-G4 Aspects.

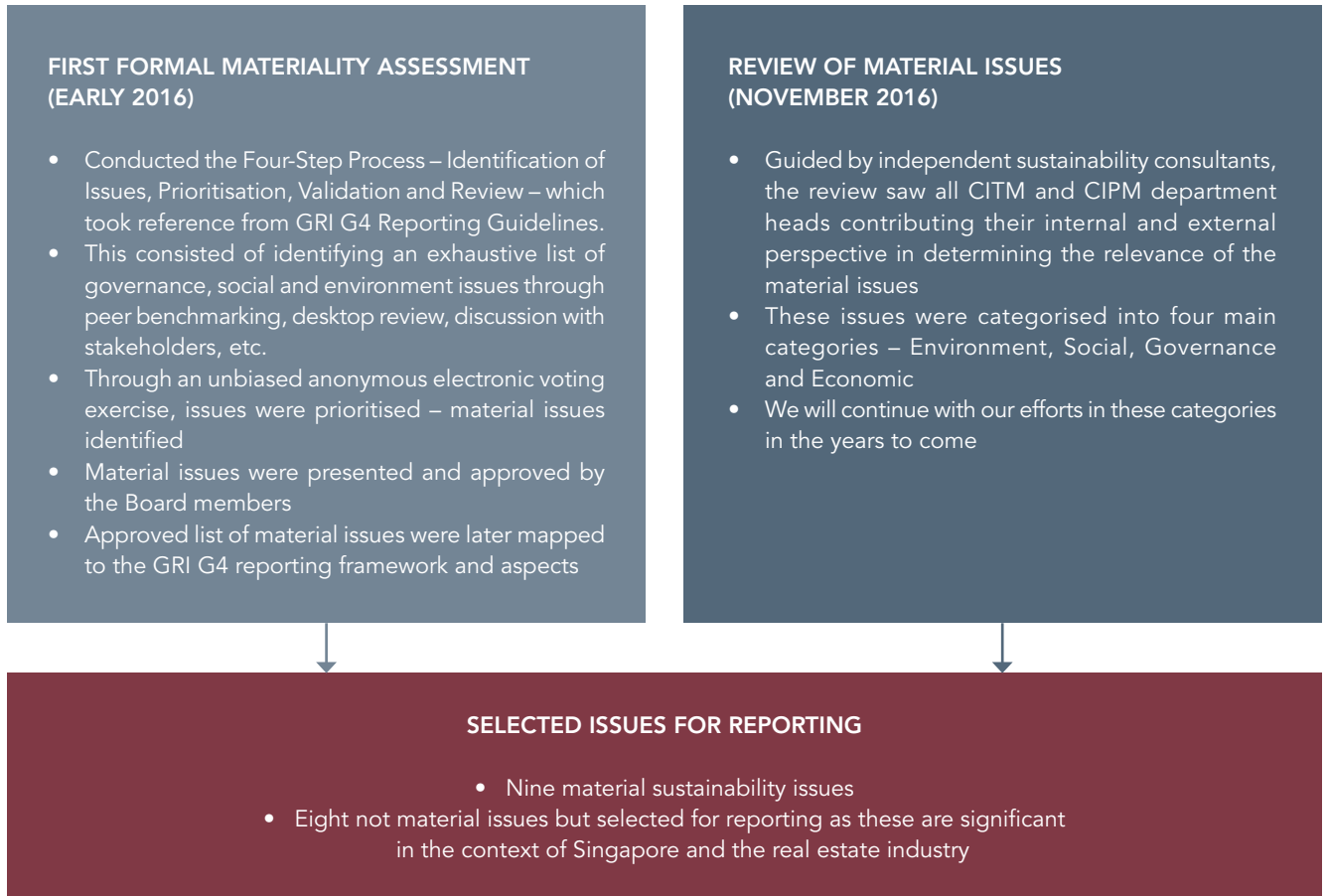


Figure 3: Materiality Matrix

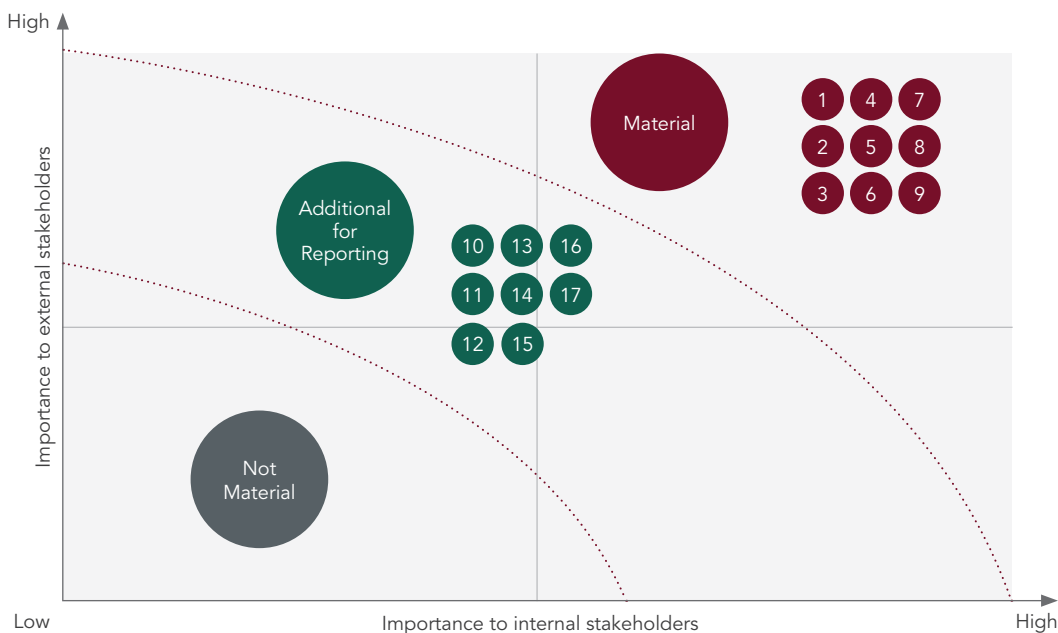


Figure 4: Selected Issues for Reporting²

Matrix Ref	Material Issue	Mapped GRI Aspects
1	Governance	General Standard Disclosure, Anti-corruption, Anti-Competitive Behaviour
2	Regulatory Compliance	Compliance
3	Economic Impact	Economic Performance, Local Communities
4	Enterprise Risk Management	General Standard Disclosure
5	Diversity and Equal Opportunity	Employment, Diversity and Equal Opportunity
6	Team member Wellness and Engagement	General Standard Disclosure, Employment
7	Quality of Assets and Services	Not identifiable under GRI as an Aspect
8	Tenant Satisfaction	Product and Service Labelling
9	Energy and Carbon Footprint	Energy, Emissions
Matrix Ref	Additional Issues for Reporting	Mapped GRI Aspects
10	Singapore Economic Context	Not identifiable under GRI as an Aspect
11	Lease Tenure	Not identifiable under GRI as an Aspect
12	Access to Capital	Not identifiable under GRI as an Aspect
13	Talent Attraction and Retention	Employment
14	Health, Hygiene & Safety Protection of Tenants and Visitors	Customer Health and Safety
15	Water Management	Water
16	Waste Management	Effluents and Waste
17	Environmental Due Diligence (Environmental Management)	Overall, Compliance

² The issues are not numbered in order of priority or importance. The matrix is an illustration of both material and additional issues selected for reporting. Non material issues that are not disclosed in the report are not shown

ABOUT THE REPORT

CIT's second annual sustainability report has been prepared in accordance with the 'Core' option of the internationally recognised Global Reporting Initiative ("GRI") G4 Guidelines, and the GRI Construction and Real Estate Sector Supplement ("CRESS"). Reference has also been made to the primary components of sustainability reporting as set out by SGX-ST's "Comply or Explain" requirements for sustainability reporting (http://rulebook.sgx.com/net_file_store/new_rulebooks/s/g/SGX_Mainboard_Practice_Note_7.6_July_20_2016.pdf).

Unless otherwise stated, the report covers the ESG performance of CIT's properties in Singapore from 1 January 2016 to 31 December 2016, with 2015 data stated for comparison, where available. Environmental performance pertains only to the common areas in CIT's multi-tenanted properties, where the Manager has the ability to monitor and influence the efficiency of utilities. The Manager is in the process of engaging master lessees on sustainability issues and appropriate data collection for future reporting. The Manager has not sought external assurance for this reporting period and will look to have the report verified as reporting and data systems mature over time.

GOVERNANCE

CORPORATE GOVERNANCE

Good corporate governance is the cornerstone of sustainability. The Manager believes that upholding high standards in corporate governance protects the assets and the reputation of CIT and in the process enhances the value of Unitholders' investment.

Responsible leadership is the key to upholding the highest corporate governance standards. Qualified and experienced professionals are appointed at both CITM and CIPM, who are tasked to ensure the long term business continuity that in turn creates stability in the markets in which CIT operates.

The Manager's objective is to provide Unitholders with a secure and stable distribution and achieve long-term growth

in net asset value ("NAV") per unit through the successful implementation of the following strategies:

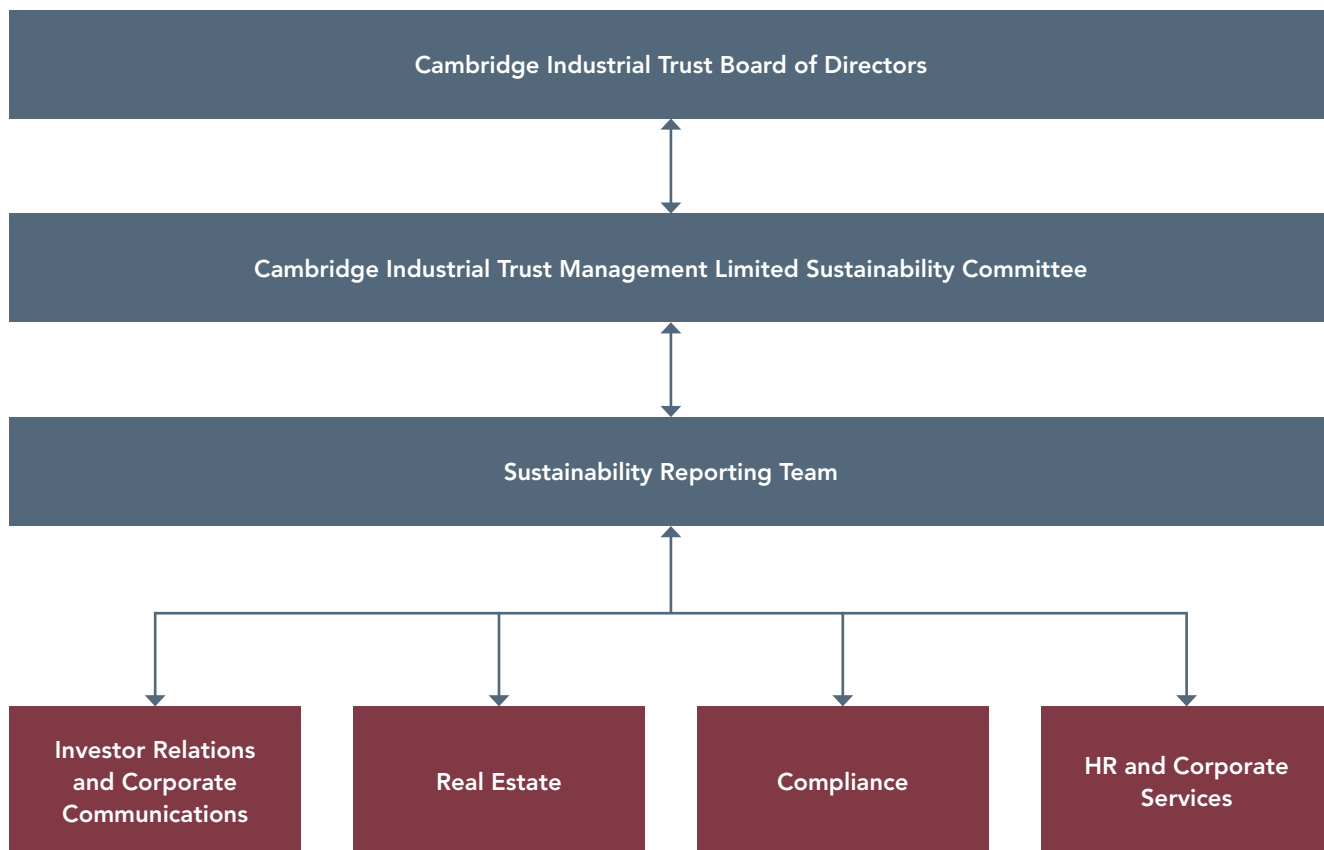
- Acquisition of value-enhancing properties;
- Proactive asset management;
- Divestment of non-core properties; and
- Prudent capital and risk management

More details on CIT's approach to corporate governance, including how Board Members are appointed and remunerated can be found in the Corporate Governance section of CIT's Annual Report 2016 on pages 76 to 95.

RESPONSIBILITY FOR SUSTAINABILITY

Formed in 2015, the Sustainability Committee, guided by the Board, is responsible for integrating sustainability principles and policies throughout the business in the coming years. The Sustainability Committee is also tasked to supervise the Sustainability Reporting Team in the annual reporting efforts.

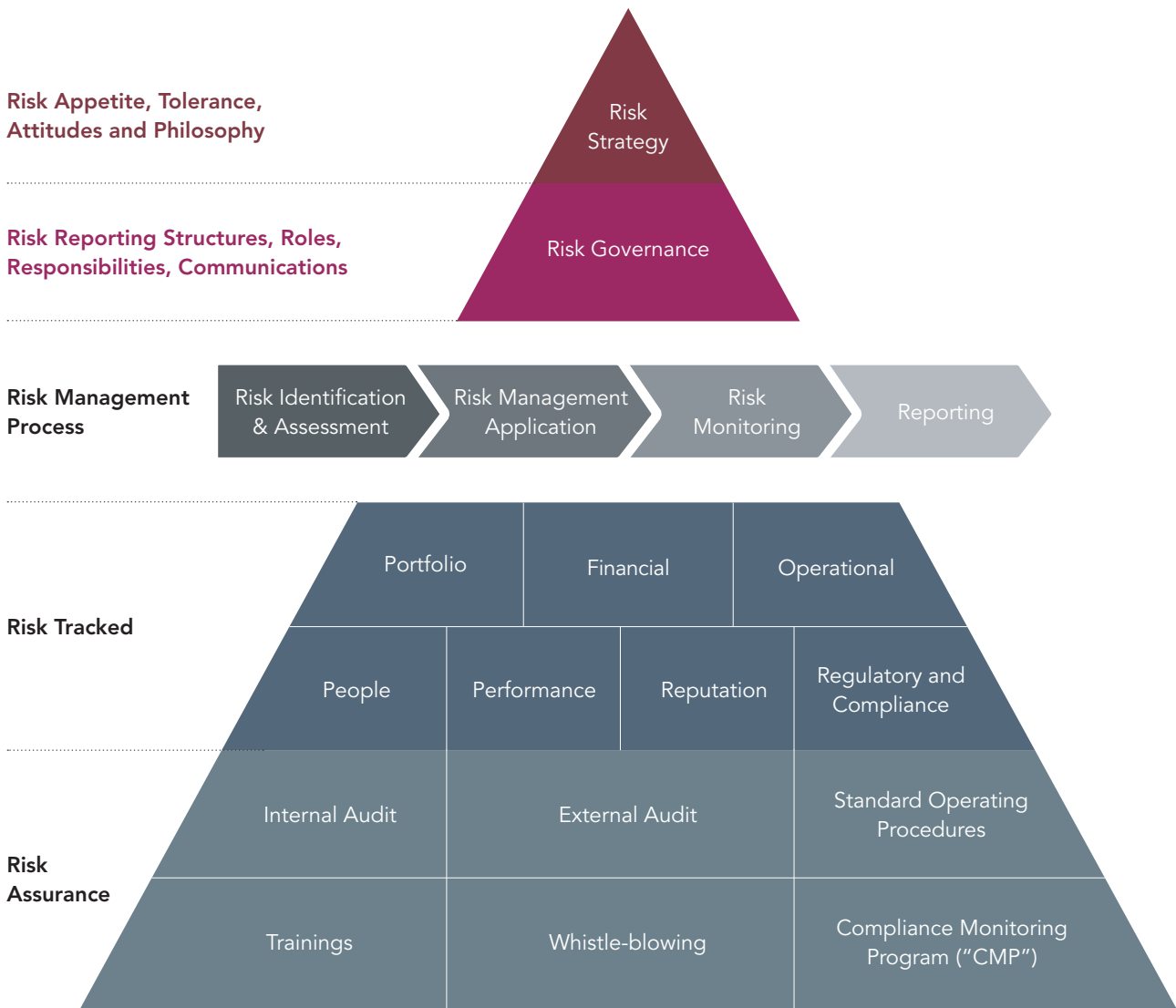
Figure 5: Sustainability Governance Structure



ENTERPRISE RISK MANAGEMENT

The business world is constantly evolving. CIT recognises that Enterprise Risk Management (“ERM”) is a systematic and extensive approach that enables the organisation to identify, measure, prioritise and respond to the risks that arise and threaten its business-critical objectives and operations. ERM is about recognising opportunities as much as it is about

identifying threats. To capitalise on opportunities, the Manager has to take risks. Risk management is not about pursuing risk minimisation as a goal but rather about optimising the risk-reward relationship, within known and agreed risk appetite levels. The Manager therefore takes risks in a prudent manner for justifiable business reasons.



For more details on risk management, please refer to pages 18 to 21 of CIT’s Annual Report 2016

GOVERNANCE













COMPLIANCE

Any form of non-compliance could potentially damage CIT's reputation and affect the confidence of the Unitholders and potential investors. It may also result in penalties (e.g. fines, public warnings or reprimands from the Authorities) or even the revocation of CIT's capital markets services license. While compliance is mandatory, CIT also views laws and regulations as critical to its role in maintaining Singapore's reputation as a fair and efficient economy and marketplace.

The Manager has established relevant regulatory related policies and procedures to ensure compliance with applicable legislation and regulations. Regulatory compliance is monitored via regular attestations, routine compliance monitoring programs, reporting of regulatory breaches and internal / external / regulatory inspection findings to ensure that CIT, the Manager and the Property Manager are adhering to regulatory requirements. The Manager maintains a good compliance track record. In 2016, there were no reported cases of non-compliance with any laws and regulations.

ENVIRONMENT

Figure 6: Overview of Environmental Performance in 2016^{3,4}

	 Grid Electricity Consumption	 Electricity Consumption Intensity	 CO ₂ ^e Emissions Released	 CO ₂ ^e Emissions Intensity	 Water Consumption
2015	8,404,812 kWh	195 kWh/m ²	3,632,560 kgCO ₂ ^e	77.3 kg CO ₂ ^e /m ²	77,411 m ³
2016	8,421,322 kWh ⁵	131 kWh/m ²	3,639,695 kgCO ₂ ^e	56.7 kg CO ₂ ^e /m ²	55,079 m ³
▲ Increase ▼ Decrease					

³ The environmental scope of reporting has been restricted to the landlord’s consumption for common areas under the Property Manager’s operational control
⁴ The emission factor used is the national average for CO2 emissions per kWh from the Energy Market Authority, Singapore Energy Statistics 2015
⁵ There are three more Multi-Tenanted Buildings (“MTBs”) being converted in 2016 resulting a moderate increase in Electricity Consumption

ENERGY AND CARBON EMISSIONS

On 4th November 2016, the Paris Agreement entered into force – a momentous milestone in the global battle against climate change. As part of the Agreement, Singapore has formally ratified its commitment to reduce emissions intensity by 36% from 2005 levels by 2030 on an emissions per \$GDP basis. Projecting from 2005, Singapore’s business-as-usual (“BAU”) emissions are expected to reach 77.2 million tonnes CO2 by 2020 with an approximately 13.8%⁶ contributed by the building sector.

goal to be a leading green economy with eco-smart towns. To that end, the Building Construction Authority (“BCA”) has focused on improving energy efficiency of the buildings in Singapore and targets to have 80% of buildings in Singapore achieve the BCA Green Mark standard by 2030.

CIT aspires to be one of the greenest Industrial REITs in Asia. The Manager believes that it has to play its part by adopting greener practices and initiatives to reduce the collective environmental impact over the long term.

In 2015, the Singapore Government’s Inter-Ministerial Committee on Sustainable Development (“IMCSD”) produced the Sustainable Singapore Blueprint which solidifies Singapore’s

Figure 7: Energy and Carbon Emissions Targets and Performance

Targets (over a five-year period from 2016 to 2020)	2016		2017	
	Performance	Specific actions	Targets (over a five-year period from 2016 to 2020)	Action plan to improve performance
To achieve 5% saving in energy consumption (energy use per unit GFA – Energy Utilisation Index (“EUI”) in all MTBs	Achieved approximately 33% savings in EUI	<ul style="list-style-type: none"> Converted staircase lightings to LED at 30 Toh Guan Road Converted basement carpark lighting to T5 lighting with motion sensors at 2 Jalan Kilang Barat Modernised lifts at 3C Toh Guan Rd East, 128 Joo Seng Upgraded chillers at 21 Ubi Road 1 	To achieve 5% saving in energy consumption in all MTBs	<ul style="list-style-type: none"> Further explore potential buildings for solar panel installations AEIs with efficient, sustainable products and materials

⁶ National Climate Change Secretariat Prime Minister’s Office Singapore – Singapore’s Emissions Profile, Source: <https://www.nccs.gov.sg/climate-change-and-singapore/national-circumstances/singapores-emissions-profile>

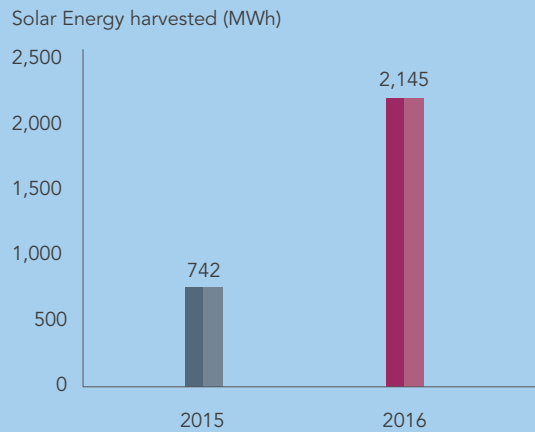
ENVIRONMENT

CASE STUDY IN-HOUSE SOLAR ENERGY HARVESTING

To demonstrate the Manager's commitment to be one of the greenest Industrial REITs in Asia, to date we have equipped eight of CIT's properties with solar energy harvesting facilities, many of which were commissioned in 2015. The Manager is currently working with head tenants at several more buildings with an objective to install similar systems in order to increase the clean energy usage.

Properties	Solar Energy Harvested (kWh)	
	2015	2016
54 Serangoon North Ave 4	52,712	122,729
11 Serangoon North Ave 5	65,727	146,068
55 Ubi Ave 3	96,196	209,618
9 Bukit Batok Street 22	80,093	137,609
23 Woodlands Terrace	94,242	345,887
3C Toh Guan Road East	144,182	259,655
3 Pioneer Sector 3	8,206	728,377
30 Toh Guan Road	199,887	195,446
Total Solar Energy harvested	741,745	2,145,389

Figure 8: Solar Energy harvested



As a result of the Manager's investments, the following has been achieved:

- Doubled cost savings as compared to 2015 (\$750,000 for FY2016 vs. \$300,000 for FY2015)
- Three-fold increase in solar energy harvested in FY2016 as compared to FY2015
- Reduction of carbon emissions by 927,237kg



CASE STUDY COMMITMENT TO SUSTAINABILITY: OFFICE RELOCATION TO CAPITAGREEN

After 10 years at Robinson Road, the corporate offices for both the Manager and the Property Manager relocated to CapitaGreen in October 2016, after a thorough comparison of options based on cost efficiency. The new office has better indoor environmental quality, which supports the company's views on health and safety of employees and overall sustainability. The office unit is GreenMark Gold Plus Certified (under the landlord's name) and the building, CapitaGreen, is certified with Green Mark Platinum (2012) and Universal Design Gold (2013). The following are some of the office space highlights:

- Energy efficient fluorescent T5 with e-ballasts and LED lights fitted throughout the office, operated by motion sensors and photocells
- All windows are fitted with GreenGuard Certified blinds
- Temperature and humidity sensors are installed in the server room
- Meeting rooms are equipped with acoustic echo panels to reduce internal noise levels
- Floor finishes are made from recycled fishing nets
- All printers have built-in systems to monitor energy usage to optimise savings

In less than two months after the office relocation in October 2016, the Company has saved 52 kg in carbon dioxide equivalent emissions as at 31 December 2016.

The Manager and the Property Manager have a strong commitment to waste management and follow the following guidelines:

- Active recycling by segregating plastics and cans from general waste
- Disposal of electrical and IT-related hardware through the building's e-waste collection bins
- Default printing set-up on black ink and double-sided pages to minimise the use of paper

The total electricity consumption of CIT's properties remained stable in FY2016. Total grid electricity consumed was 8,421.3 MWh, a minimal increase of 0.19% as compared to FY2015 levels. Energy used on sqm basis, "energy intensity", has however decreased by 33% to 131 kWh/m², indicating greater use of alternative energy – solar energy – despite expansion in operations (Figure 9). The slight increase in carbon emissions and decrease of carbon intensity corresponds to these statistics (Figure 10).

Figure 9: Electricity Consumption and Intensity within the Organization

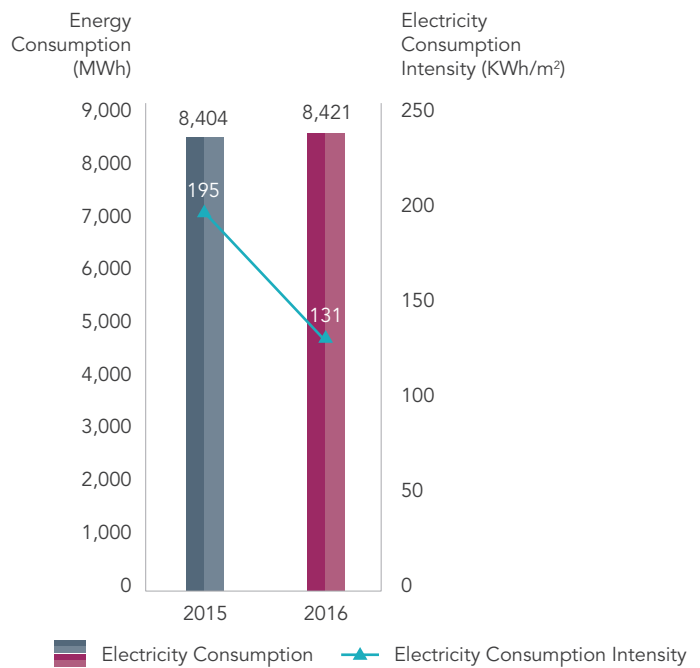
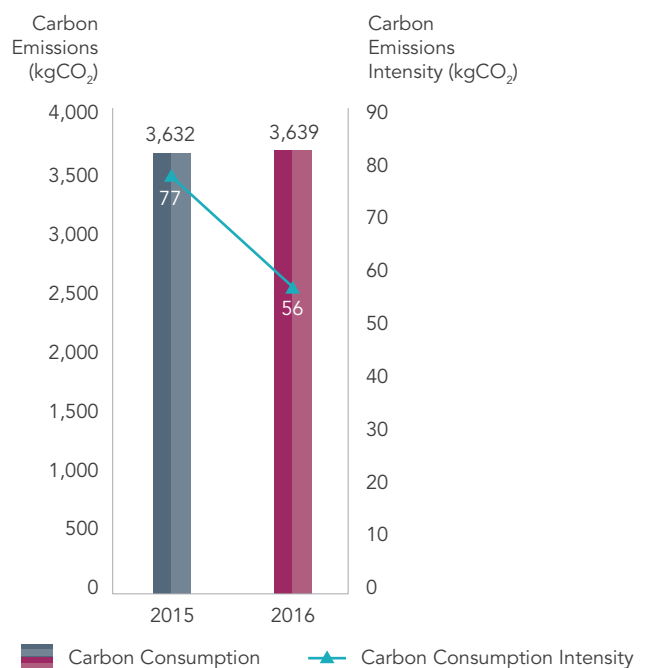


Figure 10: Indirect Carbon Emissions (Scope 2) and Intensity within the Organization



ENVIRONMENT

WATER STEWARDSHIP

Only an estimated 2.5% of the world’s water supplies is fresh water. Access to clean, fresh water is recognised as a human right and is becoming increasingly scarce in today’s world. The Singapore government places great importance on the efficient use of water, as reflected in one of the key goals in its sustainability blueprint targets by 2030. In addition, Singapore is internationally recognised as the world’s model city for managing water and often known as the world’s hydro hub – a leading centre for expertise in water technologies.

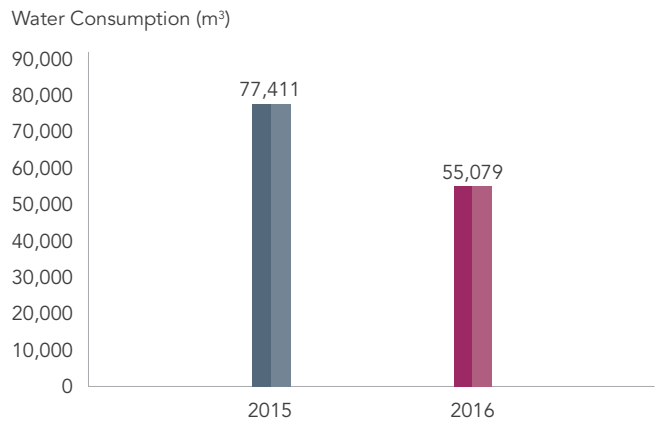
In line with the nation’s efforts towards water conservation, the Manager too has embarked on water efficiency initiatives and targets to achieve Water Efficient Building (“WEB”) Certification for all upgraded toilets in its properties by the end of FY2017. In FY2016, two CIT properties – 30 Toh Guan Road and 128 Joo Seng Road – were upgraded and its fittings and fixtures were converted to two-tick PUB Water Efficiency Labelling Scheme (“WELS”). As at the end of FY2016, ten MTBs (representing 40% of all MTBs in CIT’s portfolio) have been upgraded. Eight of these MTBs have already been awarded with WEB, and two are still in the process of obtaining the certification.

In 2016, total municipal water consumption was 55,079m³, an approximate decrease of 28% from 2015 levels (Figure 12).

Figure 11: Properties upgraded with PUB WELS for 2016



Figure 12: Water Consumption



WASTE MANAGEMENT

Singapore is a small city-state and prudent use of land is necessary for its continued economic growth. Sustainable waste management practices are vital in helping Singapore conserve land for productive uses and continued economic growth. The Sustainable Singapore Blueprint 2015 has set a national recycling rate target of 70% by 2030.

In support of the nation’s targets, the Manager believes in the importance of inculcating amongst employees, tenants and visitors the values of recycling, reusing and reducing waste. Such values not only ensure effective waste management in our properties, but also encourage individuals to act as change agents in the community.

All of CIT’s properties are served by National Environmental Agency (“NEA”) registered public waste collectors and NEA-licensed general waste collectors. NEA adopts waste-to-energy (“WTE”) incineration which reduces the volume of Singapore’s waste by approximately 90%⁷.

In FY2016, there were no incidences of non-compliance with waste disposal laws and regulations.

The Property Manager will consider measuring its waste disposal in future years, and is looking towards the viability of a dedicated comprehensive recycling or waste programme for all CIT properties.

The Property Manager has also been actively engaging with tenants on recycling programs. A total of 4.4 tonnes of waste, comprising of paper, plastics, cans and glass, have been recycled in FY2016. The Property Manager will continue to roll out more awareness programmes and highlight the importance of recycling in all CIT properties.

⁷ For more information on NEA’s WTE incineration, please visit <http://www.nea.gov.sg/>



CAMBRIDGE
INDUSTRIAL TRUST

4.5m

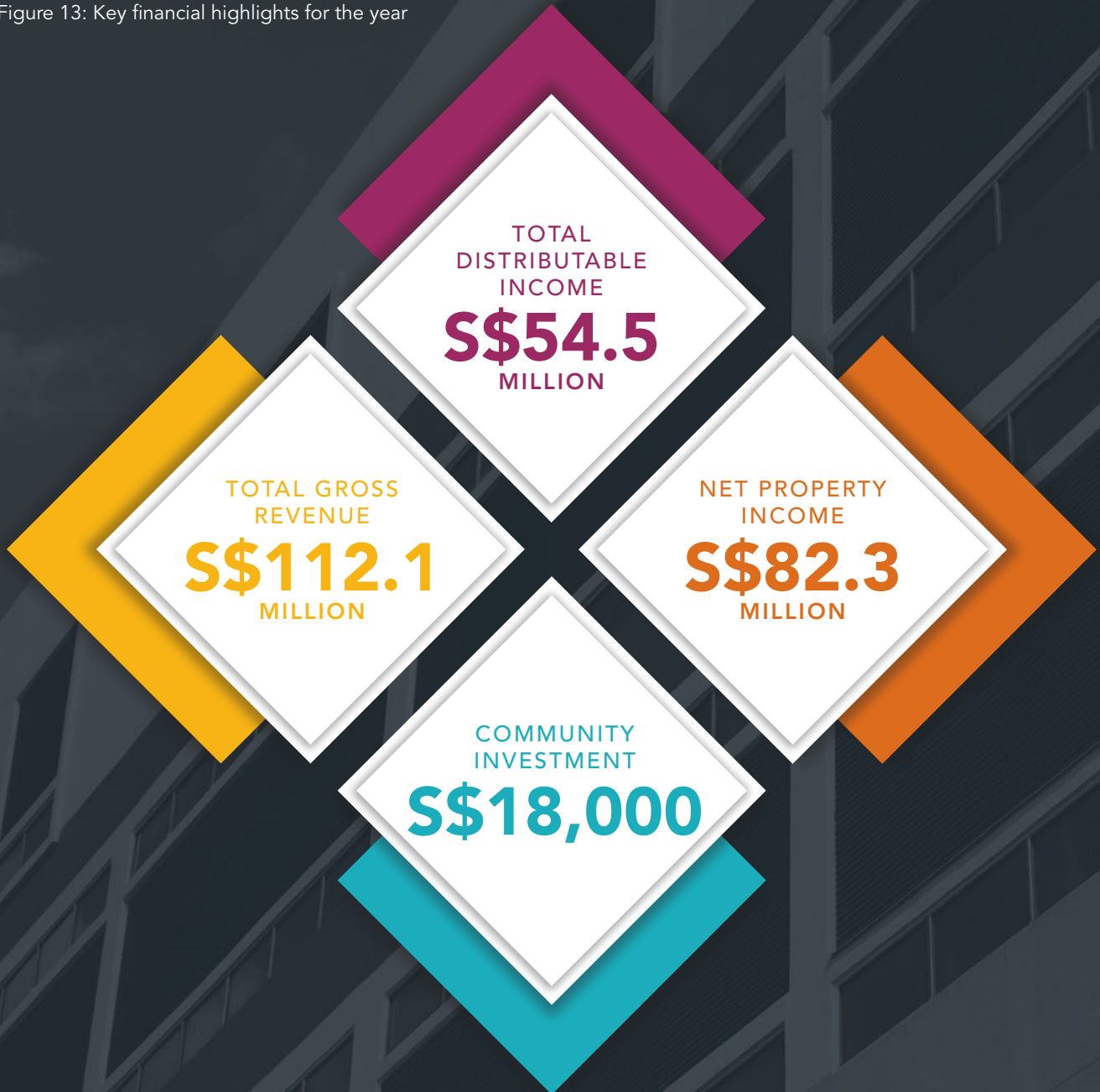
30 Toh Guan Road

ECONOMIC PERFORMANCE

Listed on the SGX-ST, CIT reports its financial performance on a quarterly basis. At the time of the release of this report, the most recent financial results released were for the financial year ended 31 December 2016 ("FY2016").

Gross total revenue for the year was down 0.1% to S\$112.1 million and net property income decrease by 4.5% to S\$82.3 million. As at 31 December 2016, CIT's total investment properties were valued at S\$1.35 billion compared to S\$1.42 billion last year.

Figure 13: Key financial highlights for the year



For more details on CIT's 2016 Financial Performance, please refer to CIT's Annual Report 2016.

SINGAPORE ECONOMIC CONTEXT AND LAND TENURE

According to the Ministry of Trade and Industry (MTI), Singapore's economy grew by 2% in 2016 (as compared to 2015: 2.0%), as a result of the economic restructuring. In response to this, the government has implemented several policies and initiatives to ensure the sustainability of the property market. Since 2013, Seller's Stamp Duty ("SSD") on industrial properties and Total Debt Servicing Ratio ("TDSR") framework and Assignment Prohibition Period were implemented. With the release of Industry Transformation Map ("ITM") in 2016, 23 industries are expected to benefit from the potential growth and competitiveness of this strategy. The Logistics Industry Transformation Map ("LITM") (part of the ITM), serves as a mechanism to reinforce Singapore's position as regional and global logistics hub, enabling industry to achieve a value-add of S\$8.3 billion and create 2,000 new quality jobs by 2020. Other policies such as The Industrial Government Land Sales Programme were implemented and will take effect in 2017. To better understand its performance in the midst of the economic outlook, the Manager has appointed an independent consultant to conduct a study of the industrial property market in Singapore. More details on the industry study are found on pages 48 to 62 of CIT's Annual Report 2016.

CAPITAL AND ASSETS MANAGEMENT

The Manager continues to focus on its long-term objective of providing Unitholders with a secure and stable income stream and achieving long-term growth in net asset value. Strong governance structure, appropriate access to capital and due consideration for broader economic and business environment in Singapore are all key to the execution of this strategy.

The Manager aims to meet its commitment to its Unitholders through the following strategies:

1. Acquisition of value-enhancing properties;
2. Pro-active asset management;
3. Divestment of non-core properties; and
4. Prudent capital and risk management.

The Manager believes that tenants, individual Unitholders, institutional investors and the broader stakeholder community will have increasingly high expectations for CIT to make positive contributions to society and the environment. These four key strategies also reflect CIT's long-term sustainability objectives. CIT has been proactive in upgrading assets by progressively installing solar panels on its portfolio properties. By utilising renewable energy to complement electricity from the grid, CIT is achieving considerable cost savings, while also improving environmental outcomes in the long-term and creating shared value for tenants and Unitholders alike through sustainable financial returns.

More information on CIT's energy initiatives can be found at the 'Environment' section of this report.



CAMBRIDGE
INDUSTRIAL TRUST





SOCIAL

TENANT ENGAGEMENT AND PRODUCT RESPONSIBILITY

Quality of Assets and Services

Capital value and income generation of CIT are determined by the quality of CIT's assets and services. Ensuring quality of CIT's assets is critical to the interest of Unitholders.

Vendors and suppliers are subject to an annual assessment which seeks to enhance the Manager's position on quality of services and processes. In addition, the Manager seeks to attain appropriate certifications and awards that synchronise with these efforts (Figure 14).

Figure 14: Name of Awards / Certifications / Ratings / Labelling Schemes	Name of property	Year of award
Certifications		
BCA Green Mark 'Certified' Certification	86 International Road	2016
BCA Green Mark 'Gold' Certification	3 Pioneer Sector 3 (New Warehouse)	2015
BCA Green Mark 'Certified' Certification	21B Senoko Loop	2015
BCA Green Mark 'Certified' Certification	88 International Road	2014
BCA Green Mark 'Certified' Certification	30 Toh Guan Road (Annexed warehouse)	2012
Awards		
Solar Pioneer Award 2015	43 Tuas View Circuit 9 Bukit Batok Street 22 3C Toh Guan Road East 23 Woodlands Terrace 55 Ubi Avenue 3 11 Serangoon North Avenue 5 54 Serangoon North Avenue 4 3 Pioneer Sector 3	2015
Solar Pioneer Award 2014	30 Toh Guan Road	2014

Tenants And Visitors – Health, Hygiene and Safety

Health and safety remains as the highest priority for the Manager and the Property Manager. Keeping tenants and visitors safe and healthy requires prudent management of hygiene practices and the anticipation, evaluation and control of environmental stressors and hazards that may affect the well-being of people in the workplace.

The Property Manager consistently monitors and manages exposure to potential risks and liabilities that may be detrimental to its operations and abides by the requirements of Occupational Health and Safety Management Systems (OHSAS) 18001:2007.

Singapore may be subjected to seasonal haze and flu pandemics. The Manager follows closely with updates by the local authorities on the environmental updates and recommended courses of action during any heightened health risks. The Property Manager reviews regularly all properties to ensure that they are equipped with the necessary protocol and kits should such any health and safety hazards occur.

Tenant Satisfaction

The Manager seeks to maintain high overall tenant satisfaction through regular communication, timely resolution of issues and progressive upgrading of facilities.

Communication with tenants is maintained through several channels including periodic site visits, email correspondence, tenant events and the annual Tenant Satisfaction Survey.

In the Tenant Satisfaction Survey 2016, the overall tenant satisfaction achieved was 73%, an increase from 2015. Feedback gathered centered around the following aspects:

1. Service quality provided by various teams – Asset, Leasing, Property and Finance
2. Service quality provided by external vendors
3. Tenant's environmental policies (if any)

Figure 15: Results of the Tenant Satisfaction Survey 2016

	2015	2016
Tenant Satisfaction Rating	70.4%	73.0%

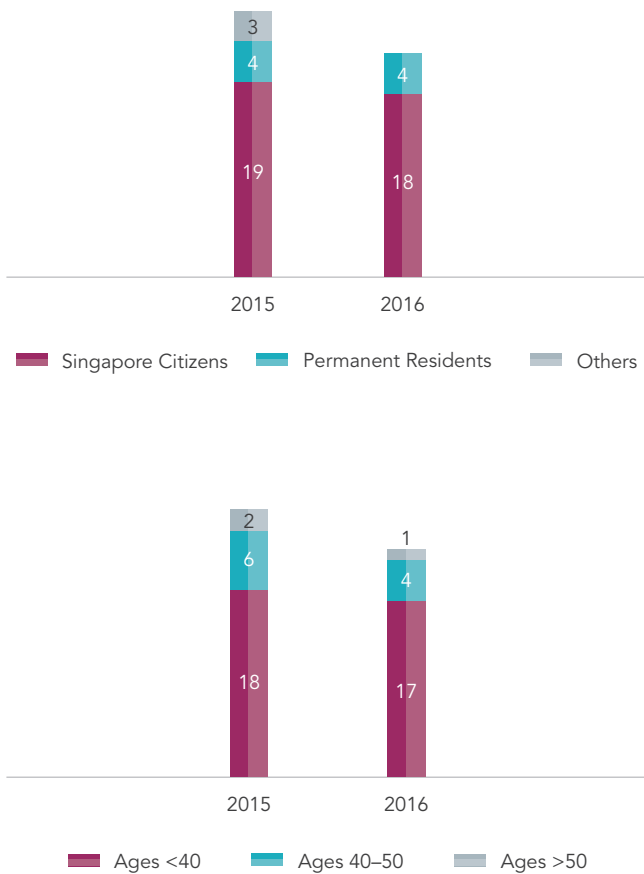
In 2017, the Manager targets to achieve higher survey participation and improved satisfaction rate. The feedback received has helped CIPM to target facilities for improvement programmes in the coming years. Some planned improvement programmes underway are lift modernisation, façade enhancement, landscape improvement and greenery in the common spaces.

OUR PEOPLE

Team Profile

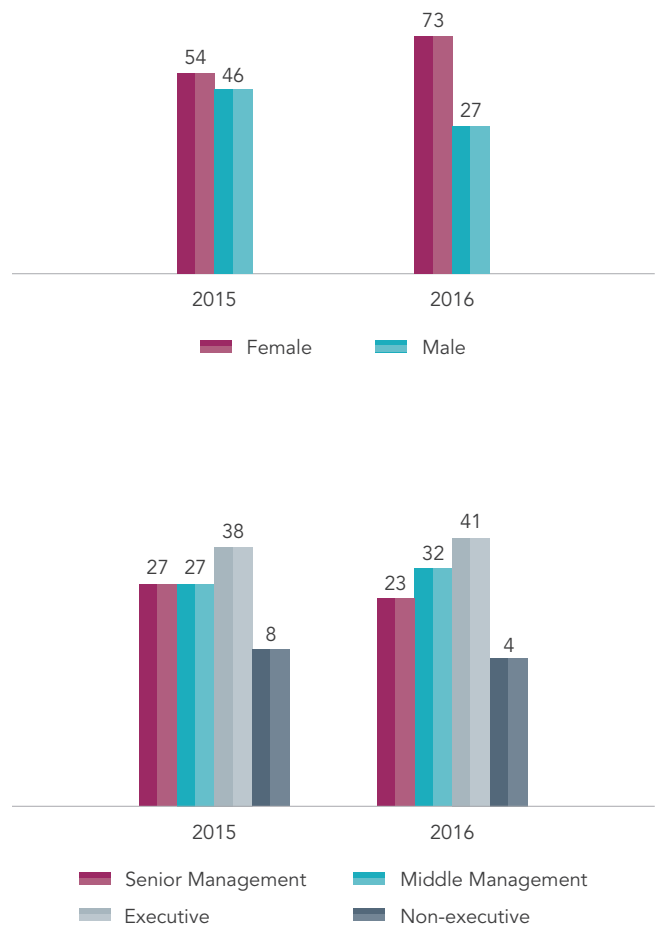
As at 31 December 2016, CITM has a total strength of 22 team members. The chart below (Figure 16) illustrates a comparison of CITM team members’ diversity and age profile vis-à-vis 2015.

Figure 16: Team Members’ Diversity and Age Profile in 2015 and 2016



The Manager believes in gender equality and equal opportunity for all team members. Recruitment and career progression are based on a meritocratic approach. As at December 2016, CITM's gender composition was 73% female and 27% male. In addition, the composition by employment category remained fairly consistent as compared to the year before (Figure 17).

Figure 17: Team Members’ Breakdown by Gender and by Employment Category (%) in 2015 and 2016



SOCIAL

Figure 18: Team Members' Breakdown by Age and Gender (%)

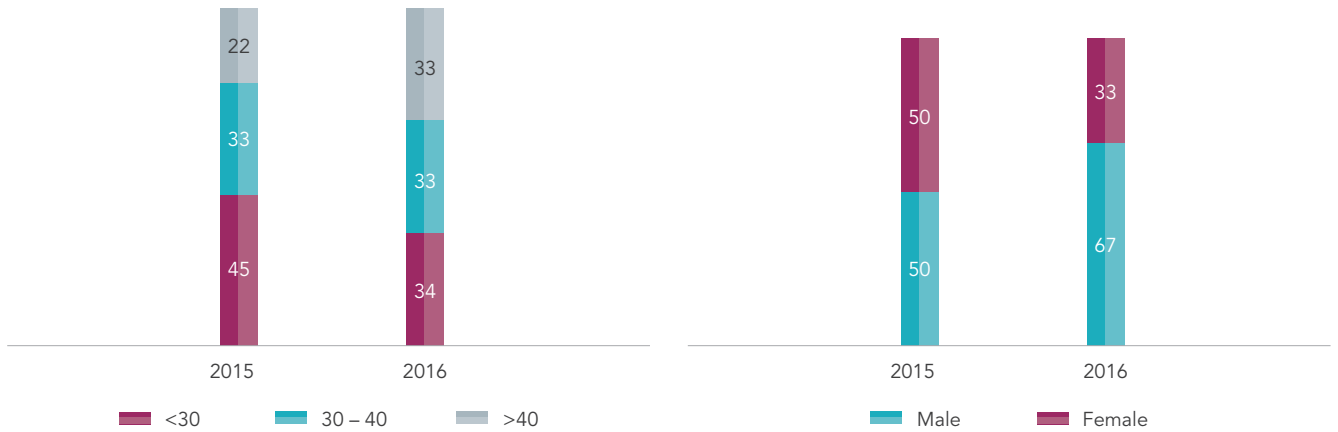


Figure 19: Team Members' Turnover by Age and Gender (%)



The Manager has put in place a succession plan for its key team members to minimise disruption in its operations. Consistency in its implementation allows smooth transition of responsibilities and ensures minimum impact on business operations. During the year, Mr David Mason resigned as Chief Operating Officer and Chief Financial Officer ("COO and CFO") due to personal reasons and was replaced by Mr Shane Hagan, an experienced real estate professional

with over 20 years of financial and operational experience. The entire transition was smoothly carried out. Also in the same year, Mr. Philip Levinson resigned as CEO and Executive Director to pursue other opportunities and Mr. Shane Hagan was appointed as Acting CEO, resulting in negligible impact on business operations. Recently, Mr Adrian Chui was appointed as the new CEO and Executive Director, while Mr Shane Hagan resumed his original role as COO and CFO.

Talent Attraction and Retention

CIT's sustained growth is dependent on the quality of the human capital at its Manager and Property Manager, who in turn aim to attract good tenants, build strong relationships and maintain business continuity. The Manager and the Property Manager take full ownership of attracting and recruiting, managing professional development and building a pipeline of future leaders in an environment that embraces equal opportunity and quality growth, while constantly reviewing the adequacy and competitiveness of its employee benefits and engagement programs.

Feedback through surveys such as the Annual Satisfaction Survey among employees helps the Manager and the Property Manager to identify areas for improvement.

Retaining top performers begins with hiring the right talent. During the talent acquisition process, the human resource team identifies prospective candidates through careful analysis of knowledge, competency, attitude and cultural fit. An effective onboarding process is a vital link to forming first impression. The line manager continues to motivate, guide and evaluate their team members with a view to retain them.

Visibility and alignment of corporate and personal goals help team members to increase their interest and commitment to the success of CIT. Goals form the basis for performance evaluation and job satisfaction, and their transparency and early communication is linked to greater retention. Management empowers team members to plan their own career development. Turnover levels are actively monitored, adapting strategies to improve retention performance. The Manager and the Property Manager strive to provide an environment aligned to its team members' lifestyle wherever possible. Provision of additional leave days and flexible working arrangements allow team members to concentrate on personal commitments when needed. During the year, seven team members took parental leave and all have returned to work in the same role. The Manager continues to develop and put in place a holistic talent management strategy across the entire employment lifecycle for the long-term objective of the organisation. As at 31 December 2016, retention rate is reported to be at 70% with an average Employee Tenure of 3.3 years.

Diversity and Equal Opportunity

Diversity is a key driver of internal innovation and growth. A good blend of cultural background, perspective and experience are critical for an organisation's ability to adapt in today's dynamic environment. The Manager embraces diversity and upholds equality and inclusiveness in the workplace.

The Human Resource Management ("HRM") policy and practices are aligned with the key principles defined by the Tripartite Guidelines on Fair Employment Practices ("TGFE") and the Ministry of Manpower's Fair Consideration Framework. As a Capital Market Services ("CMS") license holder, the Manager endeavours to hire candidates who pass the rigorous due diligence checks on integrity, educational background and financial stability. The Manager also continues to conduct reviews to ensure that team members remain fit and proper throughout employment minimising potential risks affecting the business.

In addition, all employees are given ample opportunities to continuously upgrade their skills. All employees are required to have at least 20 training hours every year. As at 31 December 2016, each employee has benefitted from an average of 35 hours of training.

SOCIAL

The Manager also works with suppliers and contractors to advocate equal opportunity in their employment, to the extent possible. Potential concerns related to suppliers and contractors and risk mitigating measures have been implemented over time (Figure 20).

Figure 20: Potential risks and risk mitigating measures with relation to suppliers and contractors

Risks	Mitigation Measures
Labor and Social protection	Compliance to Singapore's Employment Act
International and national labor standards	In accordance to the Singapore's Employment Act, employment contract for CIPM (treated as Contractor in the Sustainability Report) includes specification of the benefits In addition to basic welfare, the company provides more than the legislated requirement, subject to the Company's financial capacity
False employment relationships (workers disguising as self-employed or illegal)	All contractual arrangements undergo due diligence process, and potential conflicts of interests are identified prior to formalising any contractual arrangements
Work performed without issue of legal contract	Team members are required to seek approvals in writing in order to facilitate payment to contractors after work is completed Work performed without legal contracts or signed agreements are considered invalid. Team members are reminded to follow the approval process to avoid such situations

TEAM MEMBERS' WELLNESS AND ENGAGEMENT

The Manager understands that team members' wellness is important to the sustained success of the organisation.

Initiatives addressing health concerns, work-life balance and flexibility in working arrangements are provided whenever possible. Initiatives such as the "Helping Employees Achieve Lifetime Health" ("HEALTH") Charter and the Physical and Mental Health Programme are vital in ensuring that these matters are addressed. As part of HEALTH Programme, the Manager organises activities to enhance the health and well-

being of team members through providing opportunities to take part in exercises, health talks and annual health screening. For instance, in 2016, the Manager partnered with Virgin Active ("VA") to encourage team members' use of the gym facilities and fitness programs at any time of the day. Team members who have not signed up for the fitness program are encouraged to utilise the blocked timeslot on Thursday afternoons to jog around the Central Business District or pursue other alternative forms of exercise.

Figure 21 highlights the targets and performance for the year and the Manager's targets and action plans for 2017.

Figure 21: Team Members' Wellness and Engagement Targets and Performance

Targets	2016		2017	
	Performance	Specific Actions	Targets	Action Plans to Improve Performance
Increase participation rate in group activities	Participation rate of group activities increased to 15% [5% higher than 2015 levels]	<ul style="list-style-type: none"> Quarterly group activities to improve health and wellness and build inter-departmental relationship Blocked Thursdays (after 4.30) as exercise hour 	Implement group activities on monthly basis and increase participation rate to 20% in 2017	Improve group activities by considering preferences of all team members
Gym participation rate of 30%	48% signed up for VA corporate membership [18% higher than planned target]	<ul style="list-style-type: none"> Partnered with VA on a subsidised rate for all team members Enhance fitness activities (i.e. indoor sprint cycling, anti-gravity yoga, kickboxing) 	Increase gym participation rate by 5% in 2017	
Incorporate ergonomics during the relocation project	96.67% of team members rated the quality of furniture and work-stations at the new office as satisfactory	<ul style="list-style-type: none"> Programme height of desk to suit specific requirements and two computer screens to encourage movement during working hours Office settings are implemented with an open concept and low partition heights, enhancing natural light 	Sustain the satisfaction levels of team members in 2017	Purchase items such as gym balls to encourage physical fitness at the workplace

Benefits provided to team members are regularly assessed for market competitiveness and differ by employment category:

- Insurance Cover: Term Life, Personal Accident and Permanent Disability, Hospital and Surgical, Outpatient/Specialist and Travel
- Flexi-Benefits Scheme
- Comprehensive leave entitlements, including birthday leave
- Flexible Working Hours and Work-From-Home Arrangements
- Annual Team Building Activities:
 - Programmes have included cooking activities, digital amazing race at Central Business District area, and team gym sessions
- Internal Communications:
 - Quarterly issue of internal newsletter
 - Inter-department meetings held on a weekly basis to increase collaboration of team members

It is also important for the management to ensure that communication between departments and all levels of the organisation are always kept open. This minimises potential conflicts or misunderstandings that can affect work performance.

Annually, the Manager conducts a Team Member Satisfaction Survey (Figure 22). In 2016, an improvement of 6% in the overall satisfaction rating is achieved at 79%.

Figure 22: Results of the Team Member Satisfaction Survey 2016

Category	2015	2016
Commitment of Team Members	79%	80%
Strength of the Line Managers	71%	82%
Team Spirit and Collaboration	74%	81%
Strategy and Leadership	69%	72%
Overall Satisfaction Rating	73%	79%

SOCIAL

COMMUNITY INVESTMENT AND DEVELOPMENT

CIT recognises that working responsibly includes continuously striving towards creating positive impacts on the communities it operates in. The communities should benefit from CIT's presence and its social investments should support the communities' efforts in improving the standards of living.

Some highlights of CITM's community development initiatives for the year are included in Figure 23 below.

Name of Programs	Objective	Value of Funding Provided	Description of Programs
CIT Sponsorship Programme to Ngee Ann Polytechnic Real Estate students	The Manager aims to give back to the local Singapore education system and provide financial support to outstanding students, as well as to develop a pipeline for future talent in the real estate industry	S\$6,000	<ul style="list-style-type: none"> Sponsorship Programme will last two years and cover the annual tuition fee and book allowance for the selected students The Programme aims to include exposure opportunities to the industry, mentorship and an opportunity to join the Company through internship or employment As at 31 December 2016, 2 Ngee Ann Polytechnic Real Estate students will benefit from this Sponsorship Programme
Financial Support to Wishing Well's Food for Families Initiative	The Manager aims to give back to the local community by helping the less-privileged	S\$1,920	<ul style="list-style-type: none"> Team members donated to 32 families in the Wishing Well's Food for Families initiative, with Management matching dollar for dollar donation. <p><i>Food for Families: Every 2nd Friday evening of the month, volunteers gather to pack groceries for more than 100 families in Singapore. The beneficiaries are usually families staying in 3-room (or smaller) HDB flats. Each family receives approximately S\$60 worth of groceries</i></p>
Club Rainbow Singapore	The Manager aims to participate in fundraising activities that give back to the local community by helping the less-privileged	S\$10,000	<ul style="list-style-type: none"> Team members participated in the annual Ride for Rainbow cycling initiative by Club Rainbow. Club Rainbow is a charitable organization that was set up in 1992 to provide a range of comprehensive support services for the families of children who suffer from major chronic and potentially life-threatening illnesses. Some of the illnesses include Blood Disorders, Chronic Liver Diseases, Spina Bifida, Congenital Heart Disease, Rare Genetic Disorders and complications resulting from premature births

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We are very pleased to partner with CITM in this endeavour towards the gift of education. Our students will benefit tremendously from the scholarships and the invaluable mentorship gained through internship opportunities provided.

MR SIMON TAN
DIRECTOR
NGEE ANN POLYTECHNIC

GRI CONTENT INDEX

GENERAL STANDARD DISCLOSURES

Profile Disclosure	Description	Cross-Reference / Direct Answer
Strategy and Analysis		
G4-1	Statement from the most senior decision-maker of the organisation about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability	Board Message on Sustainability (Page 1)
Organisation Profile		
G4-3	Name of the organisation	Annual Report FY 2016 (Corporate Information)
G4-4	Primary brands, products, and/or services	Annual Report FY 2016 (Corporate Information)
G4-5	Location of organisation's headquarters	Annual Report FY 2016 (Corporate Information)
G4-6	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	About the Report (Page 5)
G4-7	Nature of ownership and legal form	Annual Report FY 2016 (Corporate Information)
G4-8	Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries)	Annual Report FY 2016 (Corporate Information)
G4-9	Scale of the reporting organisation	Annual Report FY 2016 (Corporate Information)
G4-10	Total workforce by employment type, gender, employment contract and region	Team Profile (Page 19)
G4-11	Percentage of employees covered by collective bargaining agreements	All employees within the scope of this report are not covered by collective bargaining agreements, as they are professionals in nature
G4-12	Description of the organisation's supply chain	Quality of Assets and Services (Page 18)
G4-13	Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain	No significant changes in FY2016.
G4-14	Explanation of whether and how the precautionary approach or principle is addressed by the organisation	Enterprise Risk Management (Page 7)
G4-15	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses	Diversity and Equal Opportunity (Page 21)
G4-16	Memberships in associations (such as industry associations)	Stakeholder Engagement (Page 3)
Identified Material Aspects and Boundaries		
G4-17	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures (list all entities in the consolidated financial statements)	Annual Report FY 2016 (Corporate Information)
G4-18	Process for defining report content and the aspect boundaries and explain how the reporting principles has been implemented	Materiality Assessment (Page 4)
G4-19	List all material aspects identified	Mapping of Material Issues to GRI (Page 5)
G4-20	The aspect boundary within the organisation: whether the aspect is material within the organisation; the list of entities included in g4-17 for which the aspect is or is not material; specific limitation regarding the aspect boundary within the organisation	About the Report (Page 5)

GRI CONTENT INDEX

Profile Disclosure	Description	Cross-Reference / Direct Answer
G4-21	The aspect boundary outside the organisation: whether the aspect is material outside the organisation; the list of entities for which the aspect is material, relate to geographical location; specific limitation regarding the aspect boundary outside the organisation	About the Report (Page 5)
G4-22	Explanation of the effect of any restatements	Not applicable
G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries	No significant changes in FY 2016
Stakeholder Engagement		
G4-24	List of stakeholder groups engaged by the organisation	Stakeholder Engagement (Page 3)
G4-25	Basis for identification and selection of stakeholders with whom to engage	Stakeholder Engagement (Page 3)
G4-26	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Stakeholder Engagement (Page 3)
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting; report the stakeholder groups that raised each of the key topics and concerns	Stakeholder Engagement (Page 3)
Report Profile		
G4-28	Reporting period	About the Report (Page 5)
G4-29	Date of most recent previous report	Sustainability Report FY 2015
G4-30	Reporting cycle	About the Report (Page 5)
G4-31	Contact point for questions regarding the report or its contents	Annual Report FY 2016 (Corporate Directory)
G4-32	A. Report the 'in accordance' option the organisation has chosen B. Report the GRI content index for the chosen option	About the Report (Page 5)
G4-33	Policy and current practice with regard to seeking external assurance for the report	About the Report (Page 5)
Governance		
G4-34	Report the governance structure of the organisation, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts	Annual Report FY 2016 (Corporate Governance), Responsibility for Sustainability (Page 6)
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	Annual Report FY 2016 (Corporate Governance), Responsibility for Sustainability (Page 6)
G4-38	Composition of the highest governance body and its committees	Annual Report FY 2016 (Corporate Governance), Responsibility for Sustainability (Page 6)
G4-39	Whether chair of the highest governance body is also an executive officer	Annual Report FY 2016 (Corporate Governance), Responsibility for Sustainability (Page 6)

Profile Disclosure	Description	Cross-Reference / Direct Answer
G4-40	Nomination and selection process for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members	Annual Report FY 2016 (Corporate Governance), Responsibility for Sustainability (Page 6)
G4-41	Processes in place for the highest governance body to ensure conflicts of interest are avoided	Annual Report FY 2016 (Corporate Governance), Responsibility for Sustainability (Page 6)
G4-48	Highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material aspects are covered	Annual Report FY 2016 (Corporate Governance), Responsibility for Sustainability (Page 6)
G4-51	Remuneration policies for the highest governance body and senior executives	Annual Report FY 2016 (Corporate Governance)
G4-52	Process for determining remuneration	Annual Report FY 2016 (Corporate Governance)
Ethics and Integrity		
G4-56	Describe the organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	Corporate Governance (Page 6)

SPECIFIC STANDARD DISCLOSURES

Profile Disclosure	Description	Cross-Reference / Direct Answer
Economic		
Economic Performance		
EC1	Direct economic value generated and distributed	Community Investment and Development (Page 24)
Environmental		
Energy		
EN3	Energy consumption within the organisation	Energy and Carbon Emissions (Page 9)
EN5/CRE1	Energy intensity	Energy and Carbon Emissions (Page 9)
EN6	Reduction of energy consumption	Energy and Carbon Emissions (Page 9)
Water		
EN8	Total water withdrawal by source	Water Stewardship (Page 12)
Emissions		
EN16	Indirect greenhouse gas (GHG) emissions (Scope 2)	Environment (Page 9), Energy and Carbon Emissions (Page 9)
EN18	Greenhouse gas (GHG) emissions intensity	Environment (Page 9), Energy and Carbon Emissions (Page 9)
Effluents and Waste		
EN23	Total weight of waste by type and disposal method	Waste Management (Page 12)
Compliance		
EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Compliance (Page 8)
Overall		
EN31	Total environmental protection expenditures and investments by type	Energy and Carbon Emissions (Page 9 – 11)

GRI CONTENT INDEX

Profile Disclosure	Description	Cross-Reference / Direct Answer
Social		
Labour Practices and Decent Work		
Employment		
LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Team Profile (Page 19)
LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operations	Team Member Wellness and Engagement (Page 22)
LA3	Return to work and retention rates after parental leave, by gender	Talent Attraction and Retention (Page 21)
Diversity and Equal Opportunity		
LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Team Profile (Page 19), Diversity and Equal Opportunity (Page 21)
Society		
Community		
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Community Investment and Development (Page 24)
Anti-Corruption		
SO4	Communication and training on anti-corruption policies and procedures	Enterprise Risk Management (Page 7)
SO5	Confirmed incidents of corruptions and actions taken	Compliance (Page 8)
Anti-Competitive Behavior		
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	Compliance (Page 8)
Compliance		
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Compliance (Page 8)
Product Responsibility		
Customer Health and Safety		
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	Compliance (Page 8)
Product and Service Labelling		
PR5	Results of surveys measuring customer satisfaction	Tenant Satisfaction (Page 18)
Compliance		
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Compliance (Page 8)