

# Corporate Social Responsibility

**At MLT, the Manager strives to incorporate responsible and sustainable practices in its business operations. Its commitment to the environment, local communities and stakeholders, is intrinsically aligned with its vision to be the logistics real estate partner of choice in Asia. Being part of the Mapletree group, the Manager also actively participates in many of the Sponsor's group-wide corporate social responsibility ("CSR") initiatives.**

## Environmental Responsibility

The Manager is committed to protecting the environment through various initiatives, including the development of environmentally sustainable buildings, implementation of energy-efficient measures at its properties and other green initiatives.

Following the completion of MLT's first Green Mark Platinum certified warehouse in Singapore – Mapletree Benoi Logistics Hub, the Manager commenced the redevelopment of 5B Toh Guan Road East in April 2014. In line with its commitment towards sustainable developments, the Manager is targeting to achieve Green Mark certification for the new development. Green building practices have been adopted in the construction of the new facility while eco-friendly features that increase resource efficiency will be incorporated in the building design specifications.

During the year, the Manager completed Phase 2 of the solar panel installation project in Japan to harness renewable energy and reduce energy consumption. Including Phase 1 which was completed in FY13/14, this asset enhancement initiative has been implemented at a total of nine properties in Japan, generating 7,100 megawatts of renewable energy per annum. This initiative not only contributes to a greener environment, but has also added a new income stream for the Trust.

With the aim of reducing energy and water consumption, the Manager continues to implement a phased programme to install eco-friendly building fittings across the portfolio's 117 properties. Examples of such fittings include water-efficient washroom fittings and energy-saving lightings with motion sensors, and energy-efficient lifts.

The Manager continues to support the Sponsor's group-wide 'Mapletree Goes Green' initiative, where employees are encouraged to adopt green work practices and make sustainable choices. For instance, staff are encouraged to use refillable water bottles and eco-friendly bags instead of disposable ones, and recycling bins for paper, plastic and electronic waste are provided in the office premises to help promote a recycling culture. For the production of this Annual Report, the Manager has opted to use paper that is certified by the Forest Stewardship Council – an organisation that promotes responsible forestry.

## Community Engagement

The Manager undertakes various programmes and activities to reach out to and enhance its relationships with the communities in which it operates.

In its efforts to stay relevant to the changing requirements of its tenants, the Manager actively engages existing and potential tenants through participation in industry conferences, networking sessions and meetings. These provide a platform for management to gather feedback and better understand the needs and concerns of its tenants.

The four Mapletree-sponsored real estate investment trusts ("REITs"), including MLT, are amongst the founding members of the REIT Association of Singapore (REITAS). Newly launched in November 2014, REITAS is established to promote the growth and development of the Singapore REITs industry. The Manager's Non-Executive Director, Mr Chua Tiow Chye, is the President of REITAS. In the coming year, the Manager hopes to play its part in promoting the REIT industry through its participation in the programmes and initiatives spearheaded by REITAS.

The Manager is also committed to delivering timely, transparent and consistent disclosures to the media and investment community. For more details on the Manager's investor relations initiatives, please refer to the Investor Relations section on pages 84 to 86.

The Manager and Sponsor actively encourage staff to give back to society, especially the less privileged and disadvantaged in their communities. At an internal fundraiser held in October 2014 at Mapletree's corporate headquarters in Singapore, over 20 Mapletree employee volunteers prepared home-cooked meals, desserts and other baked items for sale. The event raised S\$25,000 for HealthServe, a charity that offers medical aid and counselling to migrant workers and the disadvantaged.

The Mapletree Staff CSR programme was launched in June 2014, where three groups of staff volunteers were awarded seed funding of S\$5,000 each to implement their CSR ideas. Two of the three ideas involved the distribution of basic necessities by Singapore-based Mapletree volunteers to underprivileged families, specifically those residing in the Tanjong Pagar and Jalan Kukoh areas. The third CSR idea saw a team of China-based Mapletree volunteers organising a Christmas party at VivoCity Nanhai for the children of Rainbow School in December. Rainbow School provides education for children with special needs in the district of Nanhai in Foshan, Guangdong.

The Sponsor made other CSR commitments both locally and overseas. Mapletree has contributed S\$2.5 million to the endowment funds of Singapore's five public universities,

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benefitting over 30 students from financially disadvantaged backgrounds every year and in perpetuity. Overseas, Mapletree committed RMB250,000 to post-disaster reconstruction efforts in China. The funds will go towards social development projects and to Ludian County, the epicentre of the earthquake that struck Yunnan province in August 2014. The Group also continued to support low-income residents living in the districts of Minhang (Shanghai) and Nanhai (Foshan, Guangdong) during the year. For its contributions, Mapletree received the 'Best Corporate Social Responsibility Award' from the Minhang district government in 2014.

## Employee Development and Engagement

The Manager recognises that employees are vital to the long-term growth and success of MLT. As MLT expands its presence across the region, it is important that the Manager continues to attract and retain talents who are committed to the goals of the organisation. To develop a motivated and competent workforce, the Manager leverages on the Sponsor's initiatives for talent attraction and development, performance management and employee welfare, to build and strengthen its human capital.

The Sponsor attracts young talents through two programmes - the Mapletree Associate Programme ("MAP") and the Mapletree Executive Programme ("MEP"), which target candidates at different career stages. In the MAP, fresh graduates are taken through 12 months of intensive on-the-job training, while the MEP is catered to postgraduate degree holders who have some work experience. Through a 24-month programme that includes two job rotations to different business units and functions, talents in MEP will gain invaluable insight and exposure to the demands of the diverse positions available within Mapletree. In FY14/15, the Manager welcomed two employees from the MEP who were deployed to the investment and asset management functions in MLT.

The Manager is committed to developing its employees which includes strengthening technical competencies and building leadership skills at every level. Employees who possess managerial calibre are selected for the Sponsor's flagship

leadership programmes, which are continually reviewed and enhanced to remain relevant to business needs. In addition, the Sponsor partners a diverse pool of external training providers to design customised courses that cater to the specific needs of its employees and the business.

To promote a high-performing workforce within the organisation, the Manager implements a performance-based system that provides competitive compensation and benefits. Employees are rewarded based on their performance and contribution, and incentives include annual bonus plans that are linked to financial and nonfinancial performance targets. A performance management system is also in place, where employees and their managers jointly set performance targets and identify employees' development needs.

In FY14/15, the Sponsor conducted its second employee engagement survey ("ESS"), which included participation from the Manager's staff. The second EES saw a higher participation rate and improvement in the ratings for many categories such as communication, immediate supervision, decision making and teamwork, as compared to the first ESS conducted in 2011. The Manager is now focused on executing plans to improve areas identified in the second ESS exercise, such as operating efficiency and training.

The Sponsor has various group-wide initiatives to encourage employees to stay healthy and maintain a work-life balance. The Mapletree Recreation Club organises a variety of activities including health screenings, wellness-related talks, workshops on nutrition and weight management, and pro-family events such as movie nights.

## Staying Committed

As a responsible corporate citizen, the Manager recognises the positive impact of sustainable business practices on the environment and its communities. The Manager, as part of the Mapletree group, looks forward to further strengthening its CSR efforts and engagement with key stakeholders in the coming year, and will continue to review its strategy and resources to ensure that the concerns of its stakeholders are addressed.



▲ Mapletree staff training programme in Singapore



▲ Staff volunteers organised a Christmas party at VivoCity Nanhai for children from Rainbow School