

SUSTAINABILITY REPORT

BOARD STATEMENT [GRI 102-14]

We recognise that our long-term success is dependent on our ability to deliver value to our stakeholders. As the focus on environmental stewardship increases, we are committed to embedding sustainability within our practices. Regular engagement with key stakeholders including our customers, tenants, investors and Unitholders informs us of their evolving needs and guides us in our sustainability approach. Through collaboration with our stakeholders, we

endeavour to amplify the impacts of our sustainability efforts in the long term.

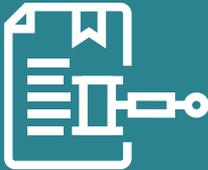
The Board has considered sustainability issues as part of its strategic formulation and assigned the monitoring and overseeing the management of Environment, Social and Governance (“ESG”) factors to the Audit & Risk Committee (“ARC”) which is in turn supported by the Sustainability Steering Committee (“SSC”).

A reassessment of material factors was conducted during the year, which resulted in three additional

ESG factors being identified as material to SPH REIT. These ESG factors were validated by the ARC and endorsed by the Board.

To align our sustainability approach with global priorities, we have aligned our sustainability efforts with the Sustainable Development Goals (“SDGs”) of the 2030 Agenda for Sustainable Development, which has been adopted by the 193 member states of the United Nations in 2015.

SUSTAINABILITY AT SPH REIT



Corporate
Governance



Data
Privacy



Health and Safety
of Stakeholders¹



Energy
Usage



Water
Usage



Local
Communities

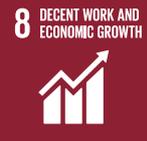
¹ Stakeholders include shoppers, tenants, employees, contractors and suppliers.

SUSTAINABILITY OVERVIEW

At SPH REIT, we take a proactive approach to incorporate sustainable practices throughout our business operations. Through regular engagements, our focus in sustainability has been aligned with increasing expectations from our key stakeholders such as shoppers, Unitholders and regulators. We are committed to our journey towards sustainability and play our part as a responsible corporate citizen.

In the materiality reassessment conducted in FY2019, we have expanded our material ESG factors from three to six factors for a more holistic disclosure on how we manage ESG at SPH REIT. The three new material ESG factors are: Corporate Governance, Data Privacy and Health and Safety of our Stakeholders.

We have also mapped our sustainability approach with global priorities by aligning our sustainability efforts to the SDGs. Our contribution to SDGs are demonstrated below.

SDGs	SPH REIT's Contribution to the SDG
 <p>SDG 7: Affordable and Clean Energy</p>	<p>We work towards improving our energy efficiency.</p>
 <p>SDG 8: Decent Work and Economic Growth</p>	<p>We promote safe and secure environments for our employees and tenants.</p>
 <p>SDG 12: Responsible Consumption and Production</p>	<p>We are committed to the efficient management and use of our natural resources.</p>
 <p>SDG 16: Peace, Justice and Strong Institutions</p>	<p>We uphold high standards of corporate governance throughout the organisation.</p>

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HIGHLIGHTS IN FY2019

	Material Factors	FY2019 Performance Highlights	FY2020 Targets
 OUR GOVERNANCE	Corporate Governance	<ul style="list-style-type: none"> No known incidents of corruption No significant fines and non-monetary sanctions for non-compliance with laws and regulations 	<ul style="list-style-type: none"> To minimise and prevent any non-compliance of laws and regulations, which includes those relating to anti-corruption
	Data Privacy	<ul style="list-style-type: none"> No known cases of theft, leak or loss of customer data Revision of Standard Operating Procedures ("SOPs") in response to the new PDPA requirement 	<ul style="list-style-type: none"> To comply with Personal Data Protection Act ("PDPA") via SOPs put in place for data security
	Material Factors	FY2019 Performance Highlights	FY2020 Targets
 OUR PEOPLE	Health and Safety of Stakeholders²	<ul style="list-style-type: none"> Zero incidents resulting in stakeholders' permanent disability or fatality 	<ul style="list-style-type: none"> To maintain zero incidents resulting in stakeholders' permanent disability or fatality
	Material Factors	FY2019 Performance Highlights ³	FY2020 Targets ³
 OUR ENVIRONMENT	Energy Usage	<ul style="list-style-type: none"> Energy Intensity at 0.43MWh/m², a 16% reduction Greenhouse Gas ("GHG") emissions intensity at 0.18 tCO₂e/m², a 25% reduction 	<ul style="list-style-type: none"> To achieve 15% reduction in electricity intensity in managed properties To achieve 25% reduction in GHG emissions intensity in managed properties
	Water Usage	<ul style="list-style-type: none"> Water intensity at 2.97m³/m², a 16% reduction 	<ul style="list-style-type: none"> To achieve 12% reduction in water intensity in managed properties
	Material Factors	FY2019 Performance Highlights	FY2020 Targets
 OUR COMMUNITY	Local Communities	<ul style="list-style-type: none"> Corporate Social Responsibility ("CSR") initiatives 	<ul style="list-style-type: none"> To achieve at least two CSR components annually

² Stakeholders include shoppers, tenants, employees, contractors and suppliers.

³ Using FY2015 performance of managed properties (Paragon and The Clementi Mall) as the baseline.

OUR GOVERNANCE

SPH REIT adopts the best practices in corporate governance. The Board and Management remain committed to ethical business conducts and promote greater transparency. Effective governance is a business imperative as it positively impacts the performance and long term viability of organisation. More information on our corporate governance can be found in our Corporate Governance report on pages 86 to 105.

CORPORATE GOVERNANCE

Anti-Corruption

Corruption can bring about significant damages to the organisation and undermine the trust of our stakeholders. SPH REIT is committed to ensuring that our business operations remain corruption-free.

Employees are expected to conduct themselves in a professional and ethical manner. The Manager has in place a Code of Business Ethics and Employee Conduct ("Code of Conduct") which states that the organisation does not tolerate any malpractice, impropriety, statutory non-compliance or wrongdoing by staff in the course of their work. The Code addresses concerns relating to fraud, business and workplace behavior, safeguarding of assets, proprietary rights and intellectual property. The management will not hesitate to take disciplinary action should there be any instances of breach.

The Manager also has a Whistleblowing Policy & Procedure to allow staff and external parties

to raise concerns or observations in confidence to the Manager on possible irregularities, for independent investigation and appropriate follow up action to be taken. Such concerns include dishonesty, fraudulent acts, corruption, legal breaches and other serious improper conduct; unsafe work practices and any other conduct that may cause financial or non-financial loss to the Manager or damage to the Manager's reputation.

There were no known incidents of corruption in FY2019 and we aim to maintain this track record in the subsequent year.

Regulatory Compliance

Compliance with laws and regulations is an integral part of upholding high standards of corporate governance within the organisation. Instances of non-compliance will expose the organisation to reputational risks and liabilities such as fines and penalties.

SPH REIT strives to be fully compliant with all relevant statutory and regulatory requirements, which include Monetary Authority of Singapore regulations (Property Funds Appendix and Provisions in the Trust Deed), Singapore Exchange Listing Manual requirements, Personal Data Protection Act 2012, Building Control Act and Fire Safety Act. We closely monitor the regulatory developments as we adopt our policies and operating procedures accordingly.

There were no significant fines and non-monetary sanctions for non-compliance with laws and regulations in FY2019. Moving forward, we seek to continue to

minimise and prevent any non-compliance of laws and regulations.

Data Privacy

Failure to safeguard our stakeholders' privacy and personal data will undermine their trust and confidence in our organisation's integrity and abilities.

SPH REIT acknowledges our responsibility towards our stakeholders in keeping their personal data safe. We have published our Personal Data Protection Statement on our corporate website. Appropriate steps have been taken to ensure that we are in strict compliance to the Personal Data Protection Act 2012("PDPA") and the Cybersecurity Act in Singapore.

The Board and Management ensures a sound and robust technology risk management framework is established and maintained. IT policies, standards and procedures which are critical components of the framework are developed to manage key technology risks and safeguard information system assets.

An IT Acceptable Use Policies Manual is also made available to all staff to ensure that they are aware of the applicable laws, regulations and guidelines pertaining to the usage, deployment and access to IT resources. Regular vulnerability assessments and network penetration tests are also conducted to defend against hacking and ensure the safety and security of all systems.

In line with the latest PDPA guideline, SPH REIT has already stopped collecting shoppers' NRIC numbers for identification purposes. Employees are involved

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and kept abreast in regular meetings organised by SPH Group PDPA Steering Committee on matters relating to PDPA compliance.

Any feedback or enquiries relating to personal data can be directed to SPH REIT's Personal Data Protection Officer at a dedicated hotline and email.

There were no known cases of theft, leak, or loss of customer data in FY2019. SPH REIT seeks to comply with PDPA via SOPs put in place for data security in future years.

OUR PEOPLE

Health and Safety of Stakeholders⁴

As a retail space provider and an employer, SPH REIT sees it as our duty to provide our shoppers, tenants, employees, contractors and suppliers with a healthy and safe environment.

We seek to maintain zero fatal incidents relating to our stakeholders' health and safety.

We have in place the Total Workplace Safety and Health Policy. The policy sets out a holistic and integrated approach to manage the interactions between work, safety and health. We must undergo compulsory

trainings organised by SPH Group, such as first aid training.

As a high foot traffic public space, fire safety is a major health and safety concern. All relevant certificates required for commercial properties such as fire certificates, lifts and escalators safety assessments, are also monitored for their validity.

The Emergency Response Plan is clearly communicated to tenants and employees. The Fire Safety Committee plans and conducts fire safety programmes including annual fire evacuation drills and table-top exercises to ensure appropriate response procedures to all types of incidents.

This year, there were zero incidents resulting in stakeholders' permanent disability or fatality. SPH REIT will strive to keep up with our performance in the subsequent year.

OUR ENVIRONMENT

We are committed to using our natural resources responsibly and reducing the environmental impact of our business.

We have an environmental policy for both Paragon and The Clementi Mall that states our commitment to adopting a proactive and strategic approach

to environmental management for the property.

We closely monitor our environmental data for all properties. Electrical and water consumption data are also duly reported to respective statutory boards for benchmarking against the national standard.

Our commitment extends to our vendors as well, where the vendor selection process is incorporated with relevant environmental and socially responsible criteria, such as ISO 140001 or ISO 50001 or Green Label by recognised certification institutions.

Energy and Emissions

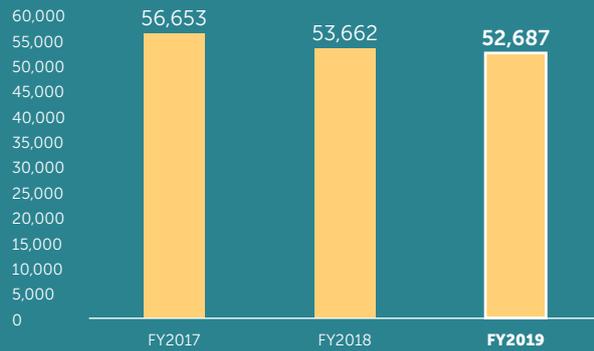
With the global movement to transit to a low-carbon future, SPH REIT seeks to optimise our energy usage and reduce carbon emissions.

Figure 1 accounts for SPH REIT's electrical energy consumption and intensity, and GHG emission and intensity, over the last three years. In FY2019, SPH REIT was able to achieve a 16% reduction in electricity intensity and a 25% reduction in GHG emissions intensity from FY2015 levels. We target to achieve a 15% reduction and a 25% reduction in our electricity and GHG emissions intensities by FY2020 respectively.

⁴ Stakeholders include shoppers, tenants, employees, contractors and suppliers.

Figure 1: Energy Consumption, GHG Emission and Overall Intensities^{5,6}

Total Electricity Consumption (MWh)



Overall Electricity Intensity (MWh/m²)



Total GHG Emissions (tonnes of CO₂e)



Overall GHG Emissions Intensity (tonnes of CO₂e/m²)



5 Electricity intensity and GHG intensity figures have been restated from average electricity and GHG intensities to overall electricity and GHG intensities for Paragon and The Clementi Mall.
6 GHG emissions are provided by the appointed energy management firm servicing Paragon and The Clementi Mall.

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WATER

Singapore has been ranked as one of the most water-stressed countries in the world and will continue to be water-challenged as water demand is forecasted to grow. In view of this, as well as in our economic interest of reducing cost, SPH REIT is working towards becoming more prudent in our water usage.

SPH REIT is aware of its increasing water consumption in recent years. Thus, the Group targets to reduce our managed properties' water usage intensity while ensuring that our environmental

efforts do not compromise on the malls' operational needs and our commitment to high hygiene standard across the facilities.

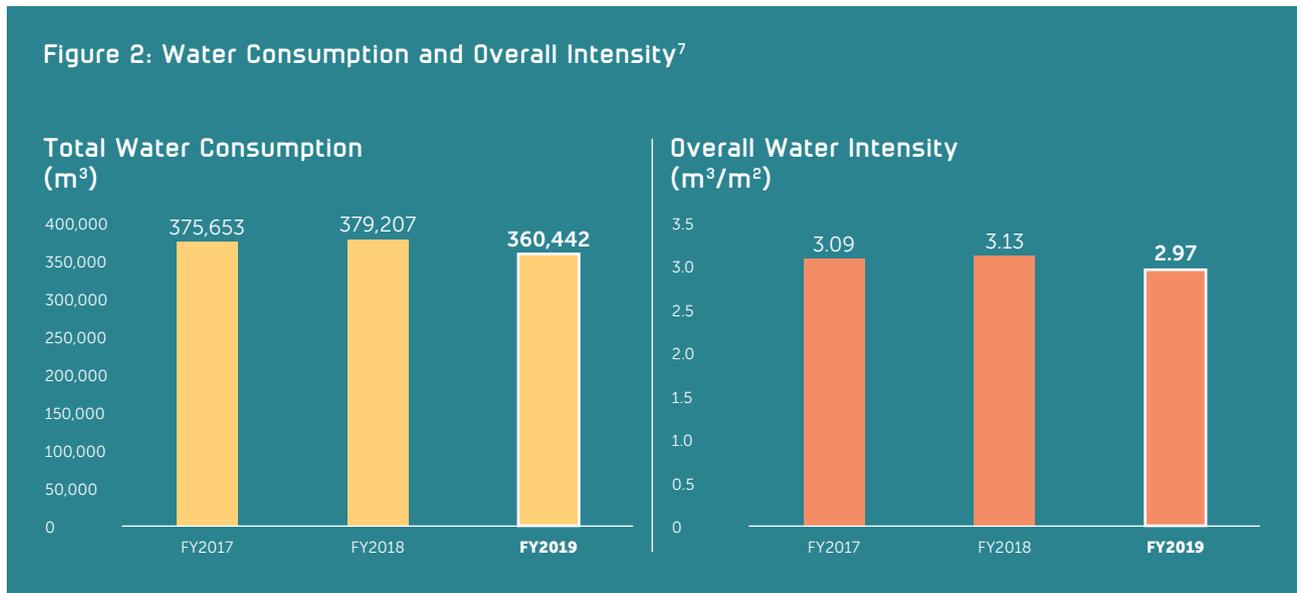
Paragon and The Clementi Mall are certified by the Public Utilities Board ("PUB") as Water Efficient Buildings ("WEB") through the WEB Certification Programme. The water taps have been adjusted to meet the recommended flow rate for the most efficient use of water.

We closely monitor our water consumption. In the event that anomalies are identified, inspections are immediately carried out and followed up on

accordingly. Figure 2 accounts for SPH REIT's water consumption and overall intensity.

In FY2019, SPH REIT managed to reduce our water usage intensity for Paragon and The Clementi Mall by 16% compared to FY2015. We target to achieve a 12% reduction in our water intensity by FY2020. We are currently exploring the viability of incorporating NEWater as part of our water resource. Infrastructure and properties cooling systems will continue to be closely monitored for any future opportunities to reduce water consumption.

Figure 2: Water Consumption and Overall Intensity⁷



⁷ Water intensity figures have been restated from average water intensity to overall water intensity for Paragon and The Clementi Mall.



OUR COMMUNITY

Tenant Engagement

Regular engagement is key to building and maintaining strong relationships with our tenants. We constantly cultivate partnerships and offer greater value for our tenants in various aspects to meet business needs and operation efficiency. Throughout the year, tenants are informed through regular dialogues, circulation of notices and bulletins. We also encourage participation and support through various marketing communication campaigns held across our malls to engage shoppers online and offline.

Customer Engagement

SPH REIT aims to enhance the customer experience for all. Feedback and suggestions from customers are valued greatly and serves as an indication of their level of satisfaction while highlighting areas for improvement. Our customer service team ensures that all feedback is responded to in a timely manner.

Throughout the year, the events and activities in the malls focus on shopper experiences with community involvement in the areas of arts, culture, digital, talent development, health and wellness. As an advocate of community involvement, we regularly partner schools, community, non-profit organisations and select beneficiaries. We bring together the best of both shopping experience and corporate giving to deliver a unique experience for all shoppers.

Paragon

SPH Gift of Music series at Paragon, August 2019

Sponsored by Singapore Press Holdings ("SPH"), the SPH Gift of Music series has been entertaining large audiences by bringing music to the community in various locations island-wide. The free concert series provides a platform to showcase Singapore's musical talent.

In 2019, Paragon hosted two concerts - Orchestra of the Music Makers (OMM) in July and Ding Yi Music Company in August. In

line with SPH's 35th anniversary celebrations, OMM performed a line-up of classical songs and showcased the allure of classical music, while Ding Yi Music Company hosted a short concert and entertained shoppers with a string of well-loved national songs, xinyao and pop classics.

The Clementi Mall

"Bring Your Own Containers" Green Campaign, July – December 2019

In line with 2019 being designated as the Year Towards Zero Waste by Ministry of the Environment and Water Resources ("MEWR"), The Clementi Mall kicked off their first green campaign partnership with Zero Waste Singapore. Themed "Bring Your Own Containers", the 6-month-long campaign aspires to encourage shoppers and residents to bring their own reusable containers to raise awareness of waste minimisation and recycling by reducing the use of disposables for takeaways. 18 tenants participated with special deals to reward shoppers who bring their own containers.

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Impact on Local Communities

Fostering and engaging with local community value is an integral part of SPH REIT's Corporate Social Responsibility programme. In partnership with our tenants, we use our retail spaces to organise various campaigns to strengthen community ties and support social causes.

Our engagement programmes are tailored to suit the profile of

communities in the vicinity of each property. On top of providing venue sponsorships, SPH REIT also partners selected philanthropic groups and associations to run campaigns to support philanthropic causes, including the arts, health and wellness, and the well-being of children and youth. More details on a few of these campaigns are appended.

PARAGON

Flight to Fantástico (September 2018)

Paragon collaborated with Raffles Singapore for "Flight to The Fantástico", a fundraising drive for The Business Times Budding Artists Fund. 12 one-of-a-kind Bejewelled Macaws, designed by Raffles Design Institute, were displayed at Paragon and put up for adoption. A total of \$44,000 was raised for The Business Times Budding Artists Fund which nurtures talented children from underprivileged families.

This 3-week event also showcased arts and culture, entertainment, fashion, and tourism of the participating Latin America countries with a thematic setup at Atrium 1 which offered a differentiated experience for shoppers.





Very Special Arts Singapore Ltd (“VSA”) Exhibitions (December 2018)

VSA is a local charity organisation dedicated to providing opportunities for people with disabilities to be involved in the arts. Paragon was the venue sponsor for VSA’s Art Exhibition. An ornament painting workshop was also conducted on 8 December by a VSA instructor for shoppers.

A total of 25 artworks were on display and shoppers could purchase these art pieces through VSA. The funds raised through the sale of art pieces were

donated to the art programmes to support and empower persons with disabilities.

THE CLEMENTI MALL

Free Community Workouts: Dance to Fit

The Clementi Mall has partnered with Singapore’s Health Promotion Board (“HPB”) to cultivate a active and healthy lifestyle.

Through the Health Promoting Mall Programme, HPB helps The Clementi Mall to identify opportunities in promoting products, services and organising activities that improve the health and well-being of the local community. These include regular mall workout sessions led by professionals, healthier dining options, products endorsed with the healthier choice symbol and professional advice from pharmacies.

To promote a healthy lifestyle among Clementi residents, The Clementi Mall organises free zumba classes led by fitness instructors, and these sessions are well received.

Christmas (December 2018) and Chinese New Year (January 2019)

Shoppers were encouraged to donate \$10 and above to our beneficiary Beyond Social Services through the online site GIVE.Asia, under A Joyous Giving, an online donation effort by The Clementi Mall. The Clementi Mall provided dollar-for-dollar matching on the donations raised.

As part of the Chinese New Year 2019 campaign, The Clementi Mall donated \$1 to Beyond Social Services for each shopper that completed the Blossoms of Prosperity Game within the time limit.

SUSTAINABILITY REPORT

REPORTING WHAT MATTERS

About this Report
[GRI 102-46, 102-50, 102-52,
102-54, 102-56]

This report covers the sustainability performance of Paragon and The Clementi Mall for the Financial Year 2019 ("FY2019"), from 1 September 2018 to 31 August 2019, with performance of prior years included as comparison where applicable.

This report has been prepared in accordance with the Singapore Exchange Securities Trading Limited's ("SGX-ST") Mainboard Listing Rules 711(A) and 711(B),

and referenced against the widely used Global Reporting Initiative ("GRI") Standards.

SPH REIT has not sought external assurance for this report but will consider it as reporting matures over time.

Feedback [GRI 102-53]

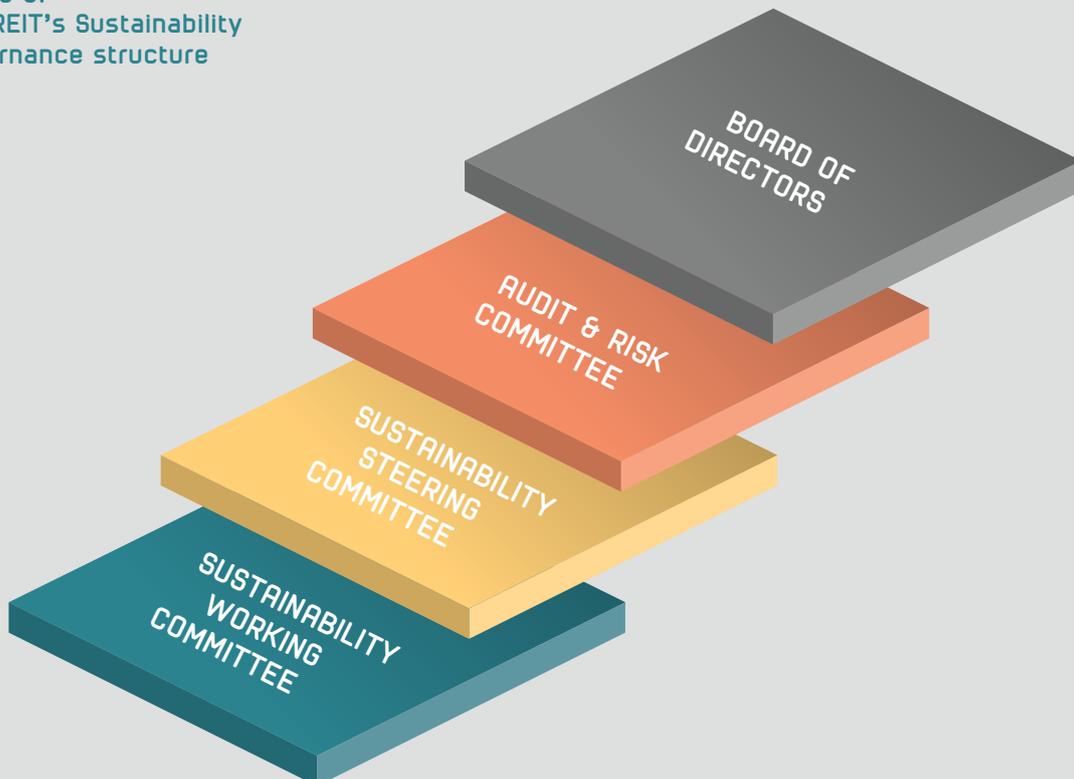
SPH REIT welcomes all feedback to improve our sustainability practices and reporting. Please address your enquiries and feedback to ir@sphreit.com.sg.

Sustainability Governance [GRI 102-18]

The Board has tasked the Audit & Risk Committee ("ARC") to

govern the sustainability issues within the organisation. The ARC is supported by the Sustainability Steering Committee ("SSC") to formulate sustainability strategies and monitor and direct the organisation towards its sustainability goals. The SSC, consisting of senior management, are expected to report on SPH REIT's overall sustainability performance to ARC regularly. The SSC is assisted by the Sustainability Working Committee ("SWC") to drive sustainability practices across the business. The SWC is made up of representatives from different business functions and divisions.

Figure 3:
SPH REIT's Sustainability
Governance structure



**STAKEHOLDER
ENGAGEMENT**
[GRI 102-40, 102-42,
102-43, 102-44]

Our success is dependent on our ability to meet the needs and create value for our stakeholders. To adapt to our stakeholders' evolving needs, we must understand the expectations and

concerns of our stakeholders, and ensure that we have the abilities to meet them. Refer to Table 1 for a summary of how we engage with and seek to meet the needs of our key stakeholders.

Table 1: SPH REIT's Stakeholder Engagement

	Customers and Tenants	Unitholders and Investors	Regulators
Description	To understand the needs of the tenants and customers, and work with tenants to enrich customer experience	To understand and help them understand our sustainability goals and efforts	To communicate with regulators regularly and ensure compliance with relevant laws and regulations
Engagement Methods	<ul style="list-style-type: none"> • Management circulars and notices • Tenant bulletins • Tenant engagement activities • Informal dialogue and networking sessions 	<ul style="list-style-type: none"> • Release of financial results, announcements, media releases, and other relevant disclosures through SGXNET, Annual Report and SPH REIT's website • Annual General Meeting • Extraordinary General Meeting, where necessary • Updates through one-on-one and group meetings and investor roadshows 	<ul style="list-style-type: none"> • Industry networking functions • Annual regulatory audits • Compliance with mandatory reporting requirements
Key Issues of Interest	<ul style="list-style-type: none"> • Shopper experience, including a sustainable space that helps enhance the lifestyle experience • Community engagement 	<ul style="list-style-type: none"> • Economic performance 	<ul style="list-style-type: none"> • Anti-corruption • Socioeconomic compliance
Corresponding Sections of the Annual Report	Sustainability Report	Financial Statements	Corporate Governance Report

	Employees	Contractors and Suppliers	Local Community
Description	To provide a working environment that provides fair remuneration, equal opportunities, safe and healthy working conditions, and career development opportunities	To build mutually beneficial and long-lasting business relationships	To be a responsible corporate citizen that serves the local community
Engagement Methods	<ul style="list-style-type: none"> • Remuneration, compensation and benefits • Fair and equal employment opportunities • Training and career development programmes • Safe and healthy working environment 	<ul style="list-style-type: none"> • Regular communications directly with the suppliers 	<ul style="list-style-type: none"> • Community outreach programmes and charitable events
Key Issues of Interest	<ul style="list-style-type: none"> • Human resource practices • Workplace health and safety practices 	<ul style="list-style-type: none"> • Collaborative partnerships with SPH REIT 	<ul style="list-style-type: none"> • Community engagement
Corresponding Sections of the Annual Report	Sustainability Report	Sustainability Report	Sustainability Report

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MATERIALITY ASSESSMENT [GRI 102-47]

A formal materiality review was conducted to identify what are the material ESG factors that affect

SPH REIT business. Guided by the GRI Principles of Materiality and Stakeholder Inclusiveness and with the aid of an independent sustainability consultant, three new material factors

were identified for FY2019's sustainability report. The process of our materiality assessment in FY2018 and review in FY2019 are illustrated below.

Figure 4: Materiality Assessment Process

