

SUSTAINABILITY REPORT

BOARD STATEMENT

We are pleased to present our inaugural sustainability report. This report is being published ahead of the effective date of the new reporting requirements mandated by SGX, and demonstrates Starhill Global REIT's (SGREIT) emphasis on sustainability and our ongoing commitment towards creating a sustainable business model.

Our sponsor, YTL Corporation Berhad (YTL), promotes sustainable business practices amongst its businesses and stakeholders, and continues to search and implement proactively the pillars of its sustainability strategy. As a signal of its commitment towards sustainable development, YTL pledged its support for the United Nations' Sustainable Development Goals alongside other global firms, underscoring YTL's commitment towards sustainable development. YTL's sustainability framework – Marketplace, Environment, Our People and Community, serves as a guidance for the future sustainability direction and reporting processes of SGREIT.

The Board recognises that adopting best practices in the environment, social and governance (ESG) aspects of our business are fundamental in building resilient and sustainable business operations and performance for the long term. In formulating its business strategies, the Board has considered sustainability issues and together with the management team, has determined the material ESG factors for SGREIT.

As we continue our sustainability journey, we will progressively add metrics and targets that are material to our business and will provide more insights in our next report.

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ABOUT THIS REPORT

SCOPE OF THE REPORT

The scope of this report covers the financial year from 1 July 2016 to 30 June 2017. The report has been prepared in accordance with the Global Reporting Initiative (GRI) G4 Guidelines – Core, and the GRI Construction and Real Estate Sector Supplement (CRESS).

Unless otherwise stated, the report covers the ESG performance of SGREIT's properties across its core portfolio of properties in Singapore, Australia and Malaysia, with FY 2015/16 data for comparison, where available. Environmental performance pertains only to the common areas within SGREIT's properties which are actively managed by the property managers, and where the Manager (YTL Starhill Global REIT Management Limited) has the ability to monitor and influence the efficiency of utilities.

The environmental performance of the report does not include master-tenanted areas and long-term leases over which SGREIT does not have operational control, namely Toshin at Ngee Ann City Property, Myer department store at Myer Centre Adelaide and David Jones department store at David Jones Building. The data presented includes the master-tenanted properties in Malaysia which is under a master lease with Katagreen Development Sdn Bhd, an indirect wholly-owned subsidiary of YTL, but excludes the data on the remaining space at Ngee Ann City Property whereby the common areas of the Property are not within the operational

control of SGREIT. The data on waste for Singapore encompasses Wisma Atria under the Management Corporation Strata Title. This includes Wisma Atria Property which is owned and managed by SGREIT, as well as Isetan's own strata space. The data on recycled waste for Malaysia refers to its used cooking oil while data on the total waste for Malaysia is not available.

The Product Responsibility and Human Capital performance indicators pertain only to the Manager and the Property Manager (YTL Starhill Global Property Management Pte. Ltd) in Singapore. Data on the Manager's workforce is reported in relation to the Manager in Singapore and does not include the small team in China. Countries which account for less than 5% of revenue and not deemed strategic were not included in the scope of reporting. Please refer to figure 1 for the summarised report scope.

This report forms part of SGREIT's Annual Report FY 2016/17 and can be viewed or downloaded from www.starhillglobalreit.com. We aim to provide a clear and comprehensive representation of our annual progress creating economic, environmental and social value by addressing the interests of our stakeholders. As part of our continued efforts to improve our reporting, we welcome stakeholders to submit their comments and feedback to info@ytlstarhill.com.

This Sustainability Report will be published annually to report on the performance and strategy on issues that are key to our stakeholders.

FIGURE 1: PROPERTIES IN SCOPE FOR THE REPORT

PORTFOLIO BY COUNTRY	ENVIRONMENTAL	PRODUCT RESPONSIBILITY	COMMUNITY	HUMAN CAPITAL
SINGAPORE				
Wisma Atria Property	■	■	■	■
Ngee Ann City Property ⁽¹⁾		■	■	■
AUSTRALIA				
Myer Centre, Adelaide ⁽¹⁾	■		■	
David Jones Building, Perth ⁽¹⁾	■		■	
Plaza Arcade, Perth	■		■	
MALAYSIA				
Starhill Gallery, Kuala Lumpur	■		■	
Lot 10 Property, Kuala Lumpur	■		■	
JAPAN				
Daikanyama ^{(2) (3)}		N.A.		
Ebisu Fort ^{(2) (3)}		N.A.		
Nakameguro Place ^{(2) (3)}		N.A.		
CHINA				
China Property ^{(2) (4)}		N.A.		

Notes:

⁽¹⁾ Data presented does not include the master-tenanted areas and long-term leases which SGREIT does not have operational control, namely Toshin at Ngee Ann City Property, Myer department store at Myer Centre Adelaide and David Jones department store at David Jones Building. The data presented includes the master-tenanted properties in Malaysia which is under a master lease with Katagreen Development Sdn Bhd, an indirect wholly-owned subsidiary of YTL but excludes the data on the remaining space at Ngee Ann City Property.

⁽²⁾ Countries which account for less than 5% of revenue and not deemed strategic are not included in the scope of reporting.

⁽³⁾ Beneficially owned by Starhill Global REIT One TMK.

⁽⁴⁾ Held by Renhe Spring Department Store Co., Ltd.

SUSTAINABILITY REPORT

SUSTAINABILITY AT STARHILL GLOBAL REIT

OUR APPROACH TO SUSTAINABILITY

Our sustainability programme is aligned with the strategic sustainability directives of SGREIT's sponsor, YTL. Led by the CEO of YTL Starhill Global REIT Management Limited, the Manager of SGREIT, Mr Ho Sing, the SGREIT Group Sustainability Committee (GSC)

which comprises key representatives from the Manager and the Property Manager in Singapore, was established to facilitate the embedding of sustainable practices within the organisation. We are dedicated to our Group's core values of integrity, client commitment,

strive for profitability, fulfilment for our people, teamwork and maintaining the highest standards. We remain focused on our sustainability framework as indicated below which is derived from the materiality issues selected following the assessment made by the GSC (refer to figure 3):



EMBRACING THE MARKETPLACE

- Corporate Governance
- Anti-Corruption and Whistle-Blowing
- Risk Management
- Health and Safety
- Personal Data Security
- Tenant Satisfaction
- Unitholder Communications



ENVIRONMENT CONSERVATION

- Sustainable Certification of our Properties
- Energy Efficiency
- Water Conservation
- Waste Management



EMPOWERING OUR PEOPLE

- Well-balanced Workplace – Health & Safety
- Fair Employment
- Employee Well-Being and Engagement
- Talent Management



ENRICHING COMMUNITIES

- Local Communities

STAKEHOLDER ENGAGEMENT

Our stakeholders are important to us. Engagement with our stakeholders is an integral aspect of our business and long-term sustainability goals. We engage our stakeholders regularly through various communication platforms seeking to address their issues and concerns while we strive to build lasting relationships.

STAKEHOLDER GROUPS	PURPOSE & GOAL	MODES OF ENGAGEMENT	KEY CONCERNS RAISED BY STAKEHOLDER GROUP
Tenants	<ul style="list-style-type: none"> • Provide a comfortable and safe environment and quality tenant mix • Collaborative efforts with tenants to drive business at the mall 	<ul style="list-style-type: none"> • Joint promotional and strategic partnerships • Tenant satisfaction survey 	<ul style="list-style-type: none"> • Create a conducive mall environment • Differentiated tenant mix • Stable shopper traffic
Investors	<ul style="list-style-type: none"> • Provision of accurate information to the investing public through timely communication 	<ul style="list-style-type: none"> • Dedicated Investor Relations section on the company's website • SGXNET announcements • Annual General Meeting • Annual report • Results briefings to analysts, investors and media • Meetings with investors, roadshows and conferences • Mall tours upon requests • Corporate video 	<ul style="list-style-type: none"> • Access to high quality real estate investment • Business performance and strategy • Sustainable delivery of returns
Shoppers	<ul style="list-style-type: none"> • Identifying shoppers' needs and improving their shopping experience at the mall 	<ul style="list-style-type: none"> • Marketing and promotional programmes and events • Online and mobile platforms • Social media 	<ul style="list-style-type: none"> • Create a conducive mall environment • Differentiated tenant mix • Stable shopper traffic
Employees	<ul style="list-style-type: none"> • Inclusive environment with enhanced wellbeing and productivity, with potential and opportunities to develop skills 	<ul style="list-style-type: none"> • Weekly department meetings • Annual performance appraisals • Recreational and team building activities • Training courses • Employment incentives 	<ul style="list-style-type: none"> • Communicating business strategy and developments • Reward and recognition • Training and career development • Employee wellness activities
Partners (Government, Regulators, Suppliers)	<ul style="list-style-type: none"> • Compliance with government policies, rules and regulations • Fair and reasonable treatment 	<ul style="list-style-type: none"> • Regular meetings, feedback and correspondences 	<ul style="list-style-type: none"> • Sharing of best practices • Compliance with rules and regulations
Community	<ul style="list-style-type: none"> • Contribute to the communities we operate in 	<ul style="list-style-type: none"> • Corporate social responsibility programme 	<ul style="list-style-type: none"> • Environment • Employee philanthropy

MATERIALITY ASSESSMENT

Determining materiality helps us identify and prioritise our efforts.

The GSC undertook a materiality assessment to define the key material issues for SGREIT. Guided by independent sustainability consultants, the assessment took reference to international standards from GRI G4 Guidelines and the GRI CRESS. A list of six material issues has been identified and assessed by key representatives from the Manager and Property Manager in Singapore (refer to figures 2 and 3).

The Manager regularly takes into consideration key issues that would interest stakeholders surfaced from its member representations in strategic associations including the REIT Association of Singapore, Investor Relations Professionals Association (Singapore) as well as engagement with government agencies and regulators including

Building and Construction Authority, Monetary Authority of Singapore, Singapore Exchange Limited and Urban Redevelopment Authority of Singapore. The Property Manager is a member of the Orchard Road Business Association.

In Adelaide, the Centre Manager of Myer Centre Adelaide serves as a main contact for the Adelaide City Council, and a designated officer, Executive Manager, Public Realm, serves as a main point of contact on general issues. Myer Centre Adelaide is associated with the Rundle Mall Management Authority which focuses on promoting the Rundle Mall precinct.

The Malaysia Properties are members of the Bukit Bintang Kuala Lumpur City Centre (BBKLCC) Tourism Association which works with selected malls within the precinct to promote shopping tourism.

FIGURE 2: MATERIALITY MATRIX

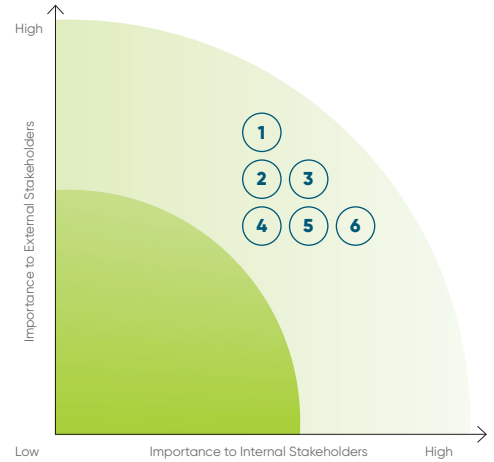


FIGURE 3: MATERIAL ISSUES SELECTED FOR SUSTAINABILITY REPORTING

NO.	CATEGORY	ESG ISSUES	MAPPED TO GRI ASPECTS
1	Economic Performance	Economic and financial contribution to the business and SGREIT stakeholders	• Economic Performance
2	Governance	Corporate Governance	• Anti-corruption
		Business Ethics	• Ethics and Integrity
3	Environment	Energy use and conservation	• Energy
		Water use and conservation	• Water
		Waste Management	• Effluents and Waste
4	Product Responsibility	Health and Safety Protection of General Public and adjacent communities	• Customer Health and Safety
		Sustainable certification of properties	• Unmapped to GRI G4 ⁽¹⁾
5	Community	Employment practices (fair employment practices, well-being and engagement)	• Employment • Training and Education (Unmapped to GRI G4 ⁽¹⁾)
		Enriching Communities	• Unmapped to GRI G4 ⁽¹⁾
		Security of Information	• Customer Privacy
6	Stakeholder Relations	Stakeholder communications	• Product and Service Labelling

Note:

⁽¹⁾ There is no corresponding aspect for this ESG topic under the GRI G4 Guidelines.

SUSTAINABILITY REPORT



EMBRACING THE MARKETPLACE

OUR APPROACH

- Delivering profitable and sustainable business growth through effective compliance and risk management
- Operating our business responsibly with accountability
- Strengthening responsible stewardship of our assets, products and services

CORPORATE GOVERNANCE

The Manager believes that strong and effective corporate governance is essential in protecting the interests of the Unitholders of SGREIT and is critical to the success of its performance as the Manager. The Manager is committed to the highest standards of corporate governance and transparency in the management of SGREIT and operates in the spirit of the Code of Corporate Governance 2012 in the discharge of its responsibilities as Manager. For more details on SGREIT's Corporate Governance, please refer to pages 76 to 88 of this Annual Report.

ANTI-CORRUPTION AND WHISTLEBLOWING

SGREIT maintains a zero-tolerance stance towards corruption. The Manager has implemented an anti-corruption policy which provides specific guidance on anti-corruption practices (such as the prohibition on bribery), and sets out the procedures to follow for specific circumstances such as the provision and/or accepting of gifts, donations and entertainment. The policy also sets out specific principles and practices in place to prevent, detect and report instances of corruption, bribery and extortion.

In conjunction with SGREIT's zero-tolerance stance towards corruption, the Manager has also established a whistleblowing policy, pursuant to which employees and any other persons may, in confidence, raise concerns about potential or actual improprieties in financial or other operational matters, so as to facilitate independent investigations of such matters and ensure that appropriate remedial and follow-up action is taken.

In FY 2016/17, there were no reported cases of material non-compliance with any laws and regulations (including anti-corruption laws).

RISK MANAGEMENT

Effective risk management is a fundamental part of SGREIT's business strategy. Recognising and managing risk is central to the business and to protecting Unitholders' interests and value. The Manager has in place an enterprise risk management (ERM) framework and policies approved by the Board that provide a structured approach to identifying and managing the material risks that could arise in the course of managing SGREIT.

For more details on SGREIT's Risk Management, please refer to page 58 of this Annual Report.

Supply Chain

Our supply chain includes our property managers, tenants and suppliers for various services. Our tenants and suppliers are selected for their reputation, track records and expertise in their field. In addition, compliance with local government and legal requirements is a criterion for appointed contractors and service providers. For engagements that are complex or entail high financial risks, due diligence is carried out to ascertain their financial standing and track record for heightened risk.

HEALTH AND SAFETY

SGREIT is committed to upholding high standards of health, hygiene and safety standards for our tenants and shoppers alike. The Manager and Property Managers are committed to giving their best efforts in providing a safe and healthy environment within our properties. The Manager

complies with all material aspects with the Singapore Workplace Safety and Health Act. We have also put in place appropriate fire safety measures and standard operating procedures with appropriate response plans in preparation for fire evacuation and emergencies. Properties in Singapore are managed by property management teams who are trained in first aid. The properties are also subject to fire safety audits. Fire and evacuation drills are conducted once a year for both the malls and office blocks in Singapore, Australia and Malaysia to familiarise tenants and staff with the emergency response plans. In Adelaide, all staff are trained in emergency procedures, and an annual inspection on fire and emergency controls is carried out by an external consultant for compliance. Myer Centre Adelaide hosts the monthly Adelaide CBD BusinessWatch meetings whereby the various security divisions and the South Australia Police Division get together with representatives from major organisations to discuss issues relating to security, safety, threats and risks, enabling a strong working relationship between the centre management and South Australia Police Division.

In October 2016, an incipient fire broke out within a tenant's premises at Wisma Atria. Shoppers and tenants at the mall were immediately evacuated and the Property Manager worked closely with the Singapore Civil Defence Force in ensuring the safety of shoppers and tenants at the mall. After investigation, the incipient fire was found to be accidental and of electrical origin, and a Building Structure Inspectorate from the Building Construction Authority was on site to verify that the structural integrity of the building was not affected, with no damage to the common area of the mall. The new electrical installation for the unit was inspected and cleared by an officer from Singapore Power Group.

On 28 September 2016, Myer Centre Adelaide was closed for operations for the day as the state of Adelaide, South Australia was affected by a state-wide power loss following severe storms which destroyed the city's critical infrastructure. The centre was evacuated and closed until power was restored the following day.

On 3 March 2017, the mall was affected momentarily by a state-wide power spike. Power was restored almost immediately and the mall was able to reset and regain its power services very quickly, causing minimal disruption to the mall operations.

Personal Data Security

The Manager and Property Manager in Singapore place utmost importance on the security of personal data in compliance with the Singapore Personal Data Protection Act 2012 (PDPA). The Manager has a personal data protection policy in place which sets out the approach for both the Manager and the Property Manager in Singapore in achieving compliance with the PDPA, and lists clear guidelines governing the collection, use, protection and disclosure of individuals' personal data.

Tenant Satisfaction

Satisfied customers are quintessential elements to our success, and it is imperative that through communication and customer satisfaction, we build long-lasting relationships with them. On a yearly basis, the Property Manager in Singapore gathers annual feedback from tenants at SGREIT's Singapore Retail and Office Properties in terms of property management services offered and general building security & maintenance. In the tenant survey that was conducted in FY 2016/17 at our Singapore properties, the majority of the response was in the "Satisfied" range.

Unitholder Communications

The Manager is committed to equitable, timely and effective communications through various channels such as SGX announcements, press releases, briefing sessions, investor presentations and conferences, annual reports, corporate video, corporate website and emails to disseminate information on its financial and operational performance, business plans and latest developments. Investor relations materials are vetted by the Manager for accuracy, consistency, and compliance with policies.



ENVIRONMENT CONSERVATION

OUR APPROACH

- Promoting energy efficiency in our properties
- Improving water efficiency

SGREIT believes in managing our business better to create long-term value for our stakeholders. Environmental protection not only makes business sense but it is also the Manager's responsibility as a responsible corporate citizen. We complement our sustainability efforts by embracing practices that are more environmentally friendly, improving efficiency of energy, water and waste management in our properties, raising awareness on climate change among our employees and by encouraging customers to make sustainable choices.

SGREIT strives to improve its efficiency on resources by reducing its energy and water consumption, and waste, while key indicators are monitored regularly at our properties in Singapore, Australia and Malaysia. In 2015, Wisma Atria Property received the PUB Water Efficient Building (Basic) certification.

Ngee Ann City is a leading energy efficient building in Singapore and has achieved the Building & Construction Authority (BCA) Green Mark Platinum standard for three consecutive years.

SUSTAINABLE CERTIFICATION OF OUR PROPERTIES

CERTIFICATION	DESCRIPTION OF AWARDS/ CERTIFICATIONS/ RATINGS/ LABELLING SCHEMES	PROPERTY	YEAR OF AWARD
PUB Water Efficient Building (Basic)	Adopt water efficient flow rates and flush volume through the use of water efficient fittings	Wisma Atria, Singapore	2015
BCA Green Mark - Platinum	Evaluates energy efficiency, water efficiency, environment protection, indoor environment quality and other green features of the building	Ngee Ann City, Singapore	2015
NABERS Energy Base Building – 4.5 star rating	Evaluates performance, measures impact of actions taken, addresses issues and makes improvements on the energy performance of a building	Myer Centre Adelaide – Terrace Towers	2017

ENERGY EFFICIENCY

The Paris Agreement has been ratified by 151 countries out of 197 countries to date. In 2016, Singapore ratified its commitment to the Paris Agreement, formalising its pledge to reduce its emission intensity by 36% from 2005 levels by 2030, and to stabilise emissions with the aim of peaking around 2030. Singapore also outlined in its Climate Action Plan released in July 2016 that improving energy efficiency across all sectors, will continue to be Singapore's key

strategy to reduce greenhouse gas emissions. In support of this cause, SGREIT is committed to a long-term target to achieve a 15% reduction in energy consumption over a 10-year period from FY 2016/17 for the Singapore Properties.

The primary source of energy at SGREIT properties is electrical energy. In FY 2016/17, the electrical energy consumption registered a reduction (figure 4), largely contributed by the energy saving initiatives undertaken.

SUSTAINABILITY REPORT

Since 2015, SGREIT properties have been progressively switching to using LED lights as a sustainable initiative towards energy efficiency. Wisma Atria has been progressively changing all the fluorescent lights in its carpark and common areas to LED lights, and ongoing efforts are made to fit the entire mall with energy efficient lighting. At Myer Centre Adelaide, lights in the common areas in the retail and office sections and its basement carpark have been replaced with LED lights to reduce electricity usage. Similarly, both Starhill Gallery and Lot 10 in Malaysia retrofitted the lights in its carparks with LED lights since 2015.

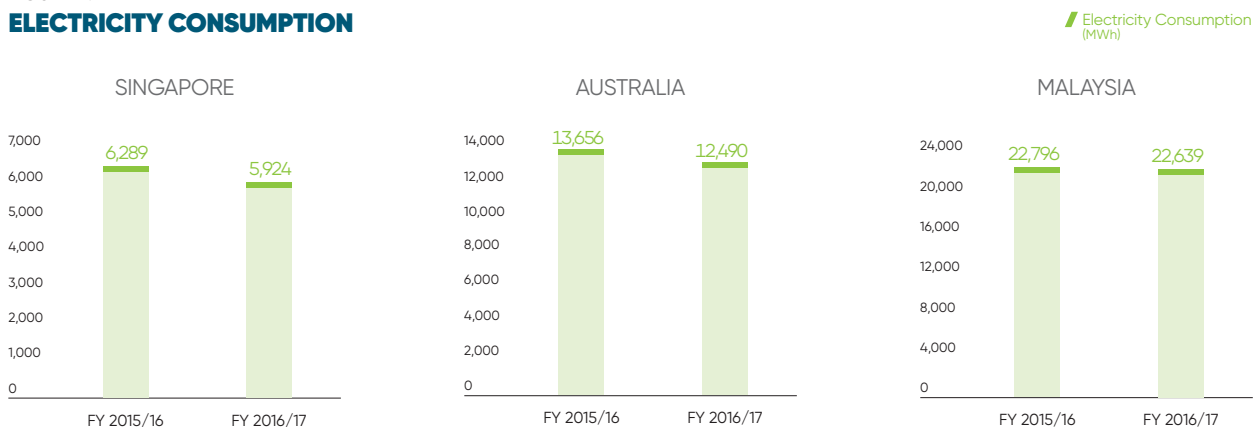
In FY 2015/16, a software was commissioned and installed at Myer Centre Adelaide to optimise the operation of the cooling towers and chillers for the recently installed heating, ventilation and air-conditioning system (HVAC) plant through which healthy building conditions are achieved as it ensures safety and comfort of the indoor environment. There was a reduction in the energy consumed by the HVAC plant, thus resulting in reduced operating costs.

Since 2012, the offices of the Manager and Property Manager in Singapore have been recognised for their green efforts at Project Eco-Office, an initiative between Singapore Environment Council and City Developments Limited that

recognises environmentally-friendly practices in workplaces. Wisma Atria and the Malaysia Properties have been extending their continued support for Earth Hour by switching off facade lights for the buildings. At Wisma Atria, there are designated parking lots reserved for electric cars. To raise awareness of the importance of alternative energy, Lot 10 installed a bicycle battery charging station at the mall. In FY 2016/17, the Manager organised a visit to Gardens by the Bay for staff, to raise awareness on horticulture and biodiversity. We target to continue in our efforts to organise and participate in environmental activities to promote awareness and encourage green behaviour among our stakeholders.

FIGURE 4:

ELECTRICITY CONSUMPTION



NGEE ANN CITY – TOP 10 ENERGY EFFICIENT BUILDINGS IN SINGAPORE (RETAIL)



Ngee Ann City is a leading energy efficient building in Singapore and it was awarded the Building & Construction Authority (BCA) Green Mark Platinum standard in 2015. The criteria include building annual occupancy rate, air-conditioned areas, air-conditioning system's lifespan and building functions within the building.

Highlights:

- Replacement of existing water chillers with energy efficient ones
- Replacement of all chilled and condenser water pumps
- Replacement of existing lighting
- Installation of green features such as energy consumption monitoring systems
- Car park ventilation system

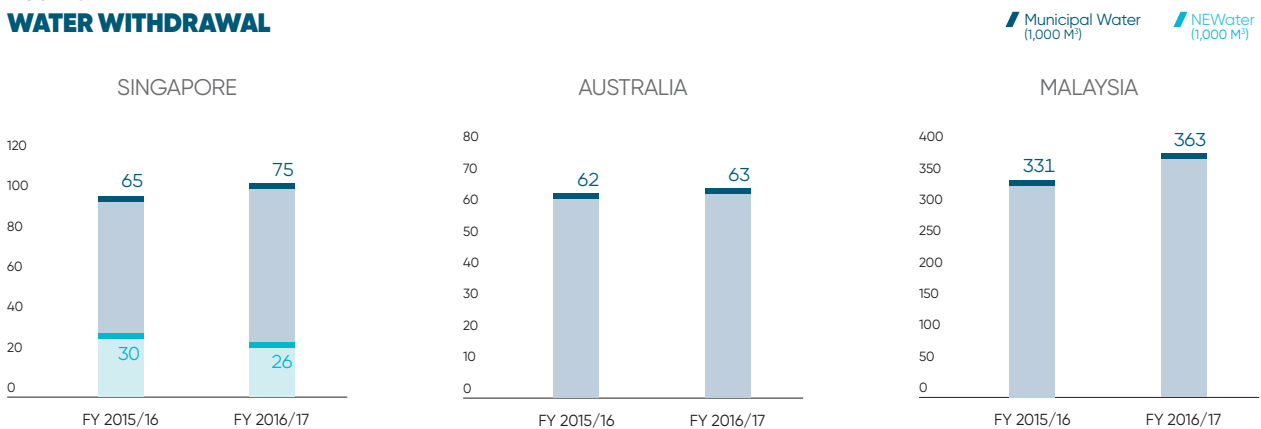


MAKING THE SWITCH TO LED

Since 2015, SGREIT's properties Wisma Atria Property, Myer Centre Adelaide, Starhill Gallery and Lot 10 Property have progressively replaced fluorescent lights with LED lights in the common areas and carparks of the malls. Ongoing efforts are made to fit the malls with energy efficient lighting.

Starhill Global REIT has set a long-term target to achieve a 15% reduction in energy consumption over a 10-year period from FY 2016/17 for the Singapore Properties.

FIGURE 5:
WATER WITHDRAWAL



WATER CONSERVATION

Water is a scarce resource and the Manager is conscious of the importance of contributing to water conservation and reduction in water usage.

Wisma Atria is fitted with water-saving features including tap flow restrictors, waterless urinal system and fittings approved by Public Utilities Board (PUB)'s Water Efficiency Labelling Scheme in Singapore. Wisma Atria has in place a Water Efficiency Management Plan (WEMP) and its usage of private water meters in essential areas as mandated by PUB.

The WEMP allows the identification of areas to reduce water consumption and raise water efficiency through the understanding of water usage within the building, while advanced warnings on possible pipe leakages is evidenced through the monitoring of water consumption via the private meters. In Singapore, all of our water comes from public utilities. In 2015, Wisma Atria achieved PUB's Water Efficiency Building (Basic) certification.

In FY 2016/17, the water consumption in Singapore increased slightly due to the progressive reopening of Isetan's

operations at Wisma Atria, thereby resulting in increased water usage. Likewise, there was an increase in water consumption in the Malaysia Properties following the reopening of Isetan's own operations after its renovations. However, water usage in Australia remained stable. There were water conservation initiatives at Myer Centre Adelaide such as waterless urinals installed in the current year.

SUSTAINABILITY REPORT

WASTE MANAGEMENT

We aim to reduce waste and encourage recycling efforts at our properties.

There are various wastes generated at SGREIT properties (figures 6 and 7). While most of the wastes produced relate to general wastes, which are non-hazardous, the wastes are managed in accordance to the industry types of the tenants of the properties. For example, in the Food and Beverage (F&B) environment, food wastes are recycled as much as possible as illustrated by the properties in Malaysia, Starhill Gallery

and Lot 10 Property, where used cooking oil from their F&B vendors are sold to a third-party oil recycling company that processes the used oil into biodiesel. In FY 2016/17, both shopping malls recycled 2,591 kg of used cooking oil. Since 2015, the malls have recycled nearly 16 tonnes of used cooking oil.

On the other hand, cardboard wastes, a significant contributor of waste by retail tenants, are collected on a daily basis. The Property Manager also encourages retail and office tenants to separate their recyclable waste. Our Singapore

properties are served by National Environment Agency registered waste collectors.

There are other general wastes which are dealt accordingly in a responsible manner. At Myer Centre Adelaide, most of the wastes collected are delivered to their respective dedicated facilities for sorting and recycling apart from the non-recyclable wastes which accounts for approximately 2.5% of the total waste.



Joseph Yeoh (right), Vice President, YTL Land & Development Berhad, testing out the bicycle battery charging station at the media conference for Lot 10's Earth Hour participation.



Staff of the Manager visited Gardens by the Bay to learn more about biodiversity.

EARTH HOUR PARTICIPATION 25 MARCH 2017

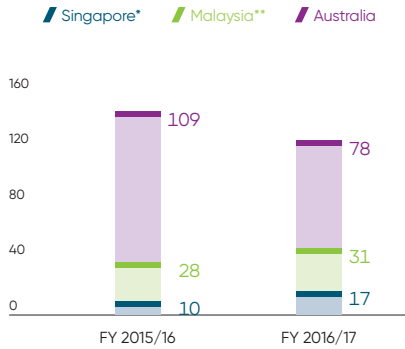
Wisma Atria, Starhill Gallery and Lot 10 have been supporting the Earth Hour cause by switching off the malls' facade lights.

Lot 10 installed a bicycle battery charging station at the mall to create awareness of alternative energy to shoppers. The mall also collaborated with a local design college and invited interior design students to showcase their most creative designs

for sustainable mall furniture using recycled or recyclable materials. At Starhill Gallery, Shook! Restaurant commemorated the event with an annual candlelit display of the Earth Hour logo.

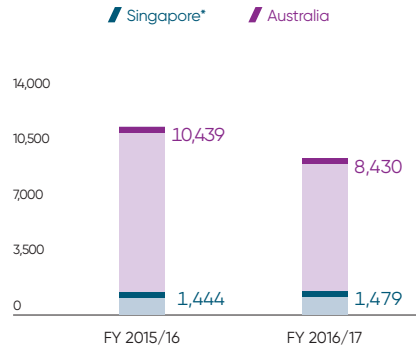
Prior to the event day, the Manager organised a visit to Gardens by the Bay for staff, to raise awareness of horticulture and biodiversity.

FIGURE 6:
TOTAL RECYCLED WASTES (kg)



* Data on waste encompasses Wisma Atria under the Management Corporation Strata Title. This includes Wisma Atria Property which is owned and managed by SGREIT, as well as Isetan's own strata space.

FIGURE 7:
NON-RECYCLED WASTES GENERATED* (tonnes)**



** Data on recycled waste for Malaysia refers to its used cooking oil.

*** Excludes Malaysia as data on total waste is not available.

In Singapore, the offices of the Manager and Property Manager have been certified by Project Eco-Office – an initiative between Singapore Environment Council and City Developments Limited that recognises environmentally-friendly practices in workplaces – for the fifth year running. Employees are encouraged to 'Reduce, Reuse and Recycle' through several initiatives. To minimise paper wastage, the printing default has been set to double-sided printing in black and white and employees are encouraged to reduce printing. Paper for publications such as the annual report have labels from the Forest Stewardship Council.

PROMOTING CYCLING IN THE CITY

Myer Centre Adelaide extends its concessionary bicycle parking facilities which includes lockers and showers to its tenants and the public as a community service, to help the Adelaide City Council promote cycling in the city.



Eco-Office Certification

Since 2012, the offices of the Manager and Property Manager in Singapore have been recognised for their green efforts at Project Eco-Office.

SUSTAINABILITY REPORT



EMPOWERING OUR PEOPLE

OUR APPROACH

- Creating a well-balanced workplace that is healthy and safe
- Fostering fair and equitable workplace conditions
- Caring for our employees through active engagement
- Nurturing human capital through learning and development

CREATING A WELL-BALANCED WORKPLACE THAT IS HEALTHY AND SAFE

Human capital is one of our key assets and the Manager firmly believes that human assets are critical and need to be nurtured and developed. We instil a strong sense of belonging in our people through our Purpose, Values and Principles which are the building blocks of our culture. Our Purpose unifies us in a shared vision, our Values guide our work behaviour, and our Principles articulate our mission in business.

Health and Safety

The Manager complies in all material aspects with Singapore’s Workplace Safety and Health (WSH) Act. The WSH Act is an essential part of a framework to cultivate good safety habits in all individuals, so as to create a strong safety culture at workplaces. The WSH Act requires stakeholders to take reasonably practicable measures to ensure the safety and health of persons at the workplace. Apart from compliance with the policies, all staff are provided with a wide range of life

and medical insurance plans that help to protect them. On an annual basis, the fire extinguisher at the office of the Manager is re-validated. Selected staff of the Property Manager are trained in first aid courses.

In FY 2016/17, two staff from the Property Manager in Singapore were injured due to smoke inhalation with regards to the incipient fire incident at Wisma Atria in FY 2016/17 (refer to page 64). As a result, 40 man-days were lost and a rate of 418 man-days lost per million man-hours work (i.e. Accident Severity Rate) was recorded. The affected employees have since resumed work.

FAIR EMPLOYMENT – FOSTERING FAIR AND EQUITABLE WORKPLACE CONDITIONS

Professional success cannot be fully enjoyed without work-life integration. A diverse workforce spanning different generations, genders and nationalities generate significant value to a harmonious workplace. In building an inclusive workplace, we advocate the importance of team integration, a positive workplace culture and work ethos.

FIGURE 8: TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CATEGORY AND GENDER



FIGURE 9: EMPLOYEE HIRES IN FY 2016/17 BY EMPLOYMENT CATEGORY AND GENDER

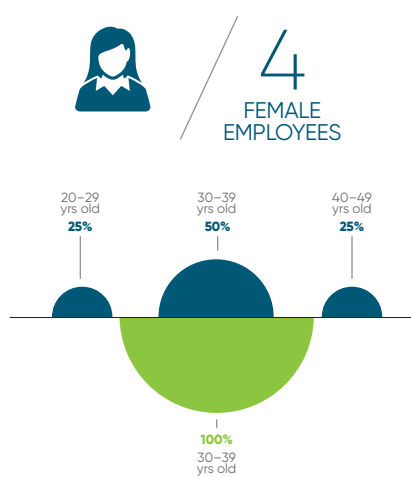
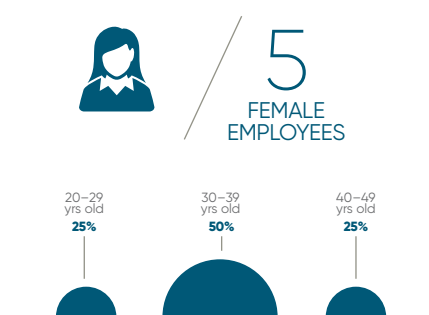


FIGURE 10: EMPLOYEE TURNOVER IN FY 2016/17 BY EMPLOYMENT CATEGORY AND GENDER



FY 2015/16



In Singapore, the Manager adopts a fair stance on providing equal opportunities and fair employment practices, and is guided by its membership in the Singapore National Employer Federation.

We have maintained a diverse workforce in terms of age, gender and skill sets. As at 30 June 2017, the Manager has 24 employees, all located in Singapore. There are no temporary or part-time employees in the Manager's workforce*. The average turnover rate for FY 2016/17 was 21% while the average hiring rate was 17%. Please refer to figures 8, 9 and 10 for a detailed breakdown on the profile of our workforce.

EMPLOYEE WELL-BEING – CARING FOR OUR EMPLOYEES THROUGH ACTIVE ENGAGEMENT

The Manager cares about its people and the demands each individual faces at different life stages. Family-friendly initiatives such as staggered work-hours and monthly "Bright Sky Day" are implemented at the workplace. On Bright Sky Day, staff can start their weekend early by leaving

We promote the merits of healthy living and encourage staff to take control of their physical and mental health as part of a holistic lifestyle.

early on Friday to spend more time with their families, or to pursue their personal interests and for better work-life harmony. The Manager also participates in the annual "Eat With Your Family Day" initiative by the Centre for Fathering in Singapore which encourages companies and schools to end the day at 5pm to spend time with their family.

We continually promote the merits of healthy living and encourage staff to take control of their physical and mental health as part of a holistic lifestyle. Comprehensive health screening programmes were organised for our staff as part of our health & wellness initiatives.

To forge stronger team dynamics, teambuilding activities and workshops such as a terrarium workshop, a photography walk at Gardens by the Bay, as well as lunch talks on "Mythbusters" and "Cognitive Efficacy" were organised. Festive events such as Chinese New Year and Mid-Autumn Festival were celebrated together with colleagues. Our continuous efforts in implementing workplace health activities ensure that our people continue to live well-balanced work lives resulting in a happier, healthier and productive workforce.

* SGREIT is managed by the Manager, YTL Starhill Global REIT Management Limited. The data reported is in relation to the Manager in Singapore and does not include the small team in China.



/ Terrarium workshop



/ Lunar New Year celebrations at the Singapore office



/ Photography walk at Gardens by the Bay

SUSTAINABILITY REPORT

In FY 2016/17, one eligible female employee and one eligible male employee went on maternity and parental leave respectively and returned to work. The Manager also provides government-paid maternity and paternity leave to all eligible female and male employees in Singapore. Employees enjoy a range of benefits including medical insurance, birthday leave, wedding vouchers, child birth vouchers and service awards for eligible employees.

Eligible employees of the Manager and Property Manager in Singapore are also incentivised on their attendance through the company's 'Perfect Attendance Award' issued quarterly. For FY 2016/17, 55% of the eligible employees of the Manager in Singapore achieved perfect attendance for the year.

TALENT MANAGEMENT – NURTURING HUMAN CAPITAL THROUGH LEARNING AND DEVELOPMENT

To be future ready, it is vital our people stay relevant and take on larger roles. Our people development framework provides a wide range of learning, development and educational opportunities. It equips them with the skills and competencies to make positive contributions to the organisation, keep pace with changing work dynamics and enables our people to grow personally and professionally. We invest in training, workshops and seminars on management, technical, communication, leadership and other topics.

Our annual staff performance appraisal includes creating a development plan to identify learning

requirements and set goals for employees for the next review period.

We aspire to develop and strengthen the leadership core and rolled out the "Executive Development Programme" aimed at nurturing business unit leaders. Selected high potential executives acquire broad-based knowledge and update their general management and leadership skills to be ready for future growth opportunities.

Internal and external professionals were engaged to address knowledge gaps and coach technical mastery and execution excellence. Concurrently, the intern placement programme provides our people with valuable mentoring and supervisory experience.

To be future ready, it is vital our people stay relevant and take on larger roles.



/ Team bonding bowling session



/ Creative lantern making workshop

ENRICHING COMMUNITIES

OUR APPROACH

- Local Communities - Strive to positively impact and enrich the lives of people in the communities where we operate

Giving back to the community and being a socially responsible corporate citizen is core to SGREIT's business strategy.

In Singapore, Wisma Atria Property and Ngee Ann City Property are integrated with accessibility features where practicable and we draw reference from the Code of Accessibility in the Built Environment

2013 by the Building and Construction Authority, which was introduced to support the Singapore Government's efforts in building an inclusive society. The Code includes requirements catering to families, elderly and persons with disabilities.

Amongst the countries where we operate, we are committed and strive to positively impact the lives of

people where we operate in through our participation in corporate social responsibility activities. We encourage staff volunteerism for employees to give back to society and we take advantage of our space to generate awareness for social causes.

In Adelaide, Myer Centre Adelaide proactively leases its spaces and uses its influence to generate awareness for social causes including Retina Australia, Greenpeace Fundraising, Flying Doctors and Red Shield. As part of the Rundle Mall Management Authority's community support programme, Myer Centre Adelaide has been a supporter with a donation of A\$0.50 per car parked on ANZAC Day, in remembrance of war heroes and returned servicemen.

SHOP & LEARN AT WISMA ATRIA

The Manager organises an annual year-end Christmas celebration for underprivileged children, and collaborates closely with its tenants to create a unique and meaningful event. In FY 2016/17, about 20 children and teenagers, aged 6 to 16 years from Chen Su Lan Methodist Children's Home in Singapore were invited to Wisma Atria. They were given retail vouchers to shop for their Christmas presents while learning from staff volunteers about the virtues of planning, budgeting and decision-making. Tenants BricksWorld, Picnic and Typo contributed to the event.



Shop & Learn community activity for the beneficiaries of Chen Su Lan Methodist Children's Home



A musical performance by the children beneficiaries of Charwika at Lot 10

CHRISTMAS CHEER AT LOT 10

Lot 10 worked with Charwika, a Kuala Lumpur-based non-profit organisation for underprivileged children, to encourage shoppers to buy gifts to fulfil the wishes of the beneficiaries which were listed on the organisation's website, and then sent directly to the welfare homes. The beneficiaries included ten welfare homes in Kuala Lumpur and Selangor, namely Rainbow Home, Charis Hope Learning Centre, Yayasan Sunbeams Home, IQ70plus (Malaysian Association for

the Guardians of the Intellectually Challenged), United Learning Centre, House of Joy, Hriphi Community School, Rumah Jaireh, Rumah Victory Children and Youth Home, and Divine Mercy Boys Home.

YTL Foundation also held a Christmas Hope Bazaar at the mall's concourse where handmade items by the underprivileged children were on sale with all proceeds channelled to the children's homes.

CHRISTMAS AT WISMA ATRIA

Wisma Atria donated the proceeds from its Christmas Cheer promotion to charity. Shoppers donated S\$5 and redeemed candy, cotton candy or a photo print at the mall's indoor event space.



SUSTAINABILITY REPORT

GRI CONTENT INDEX FOR 'IN ACCORDANCE' – CORE

GENERAL STANDARD DISCLOSURES

STRATEGY AND ANALYSIS		SECTION	IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		SECTION
G4-1	Statement from the most senior decision-maker of the organisation about sustainability	Board Statement (Page 60)	G4-17	List all entities included or not included in organisation's financial statements	About This Report (Page 61)
G4-2	Provide a description of key impacts, risks, and opportunities	Board Statement (Page 60)	G4-18	Process for defining report content and how the organisation has implemented the reporting principles for defining report content	Sustainability at Starhill Global REIT (Pages 62-63)
ORGANISATIONAL PROFILE		SECTION	G4-19	Material aspects identified in the process for defining report content	Sustainability at Starhill Global REIT (Page 63)
G4-3	Name of the organisation	Annual Report FY 2016/17 (Page 1)	G4-20	For each material aspect, report the aspect boundary within the organisation	About This Report (Page 61)
G4-4	Primary brands, products, and/or services	Annual Report FY 2016/17 (Page 1)	G4-21	Report the aspect boundary outside the organisation	Sustainability at Starhill Global REIT (Page 62)
G4-5	Location of organisation's headquarters	Annual Report FY 2016/17 (Page 1)	G4-22	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	Not applicable, as this is the first report
G4-6	Number and names of countries where the organisation operates	Annual Report FY 2016/17 (Page 1)	G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries	Not applicable, as this is the first report
G4-7	Nature of ownership and legal form	Annual Report FY 2016/17 (Page 1)	STAKEHOLDER ENGAGEMENT		SECTION
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	Annual Report FY 2016/17 (Page 1)	G4-24	List of stakeholder groups engaged by the organisation	Sustainability at Starhill Global REIT: Stakeholder Engagement (Page 62)
G4-9	Scale of the reporting organisation	Annual Report FY 2016/17 (Page 17)	G4-25	Basis for identification and selection of stakeholders with whom to engage	Sustainability at Starhill Global REIT: Stakeholder Engagement (Page 62)
G4-10	Employee Profile	Empowering Our People: Fair Employment (Pages 70-71)	G4-26	Approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Sustainability at Starhill Global REIT: Stakeholder Engagement (Page 62)
G4-11	Percentage of employees covered by collective bargaining agreements	Our employees are not covered by collective bargaining agreements.	G4-27	Key topics and concerns raised through stakeholder engagement, and how the organisation has responded	Sustainability at Starhill Global REIT: Stakeholder Engagement (Page 62)
G4-12	Organisation's supply chain	Annual Report FY 2016/17: Risk Management (Page 64)	REPORT PROFILE		SECTION
G4-13	Significant changes during the reporting period	None	G4-28	Reporting period for information provided	About This Report (Page 61)
G4-14	Whether and how the precautionary approach or principle is addressed by the organisation	Embracing the Marketplace: Risk Management (Page 64)	G4-29	Date of most recent previous report	Not applicable, as this is the first report
G4-15	Externally-developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses	Not applicable	G4-30	Reporting cycle	About This Report (Page 61)
G4-16	Memberships of associations	Sustainability at Starhill Global REIT (Page 63)	G4-31	Contact point for questions regarding the report or its contents	About This Report (Page 61)
			G4-32	Report on 'In accordance' option, GRI Content Index, reference to external assurance	-
			G4-33	Policy and current practice with regard to seeking external assurance for the report	Not applicable

SPECIFIC STANDARD DISCLOSURES

GOVERNANCE		SECTION
G4-34	Governance structure of the organisation	Annual Report FY 2016/17 (Page 17)
G4-56	Organisation's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	Embracing the Marketplace: Corporate Governance (Page 64)
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behaviour, and matters related to organisational integrity, such as helplines or advice lines	Embracing the Marketplace: Anti-corruption & Whistleblowing (Page 64)
G4-58	Internal and external mechanisms for reporting concerns about ethical and lawful behaviour, and matters related to organisational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	Embracing the Marketplace: Anti-corruption & Whistleblowing (Page 64)
CATEGORY: ECONOMIC		
MATERIAL ASPECT: ECONOMIC PERFORMANCE		SECTION
G4-EC1	Direct economic value generated and distributed	Annual Report FY 2016/17 (Page 3)
CATEGORY: ENVIRONMENTAL		
MATERIAL ASPECT: ENERGY		SECTION
G4-EN3	Energy consumption within the organisation	Environment Conservation: Energy Efficiency (Pages 65-66)
G4-EN6	Reduction of energy consumption	Environment Conservation: Energy Efficiency (Pages 65-66)
MATERIAL ASPECT: WATER		SECTION
G4-EN8	Total water withdrawal by source	Environment Conservation: Water Conservation (Page 67)
MATERIAL ASPECT: EFFLUENTS AND WASTE		SECTION
G4-EN23	Total weight of waste by type and disposal method	Environment Conservation: Waste Management (Page 68-69)
CATEGORY: SOCIAL		
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK		
MATERIAL ASPECT: EMPLOYMENT		SECTION
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Empowering Our People: Fair Employment (Pages 70-71)
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Empowering Our People: Employee Well-being (Pages 71-72)
G4-LA3	Return to work and retention rates after parental leave, by gender	Empowering Our People: Employee Well-being (Page 72)
MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY		SECTION
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region and by gender	Embracing the Marketplace: Health and Safety (Page 70)
MATERIAL ASPECT: TRAINING AND EDUCATION		SECTION
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Empowering Our People: Nurturing Human Capital through Learning and Development (Page 72)
SUB-CATEGORY: SOCIETY		
MATERIAL ASPECT: COMPLIANCE		SECTION
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Embracing the Marketplace: Anti-corruption & Whistleblowing (Page 64)
SUB-CATEGORY: PRODUCT RESPONSIBILITY		
MATERIAL ASPECT: CUSTOMER HEALTH AND SAFETY		SECTION
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Embracing the Marketplace: Health and Safety (Page 64)
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	Embracing the Marketplace: Health and Safety (Pages 64-65)
MATERIAL ASPECT: PRODUCT AND SERVICE LABELING		SECTION
G4-PR5	Results of surveys measuring customer satisfaction	Embracing the Marketplace: Tenant Satisfaction (Page 65)
MATERIAL ASPECT: CUSTOMER PRIVACY		SECTION
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	No complaints for FY 2016/17

CORPORATE GOVERNANCE

MANAGER OF STARHILL GLOBAL REIT

YTL Starhill Global REIT Management Limited was appointed the Manager of Starhill Global REIT in accordance with the terms of the Starhill Global REIT Trust Deed dated 8 August 2005 (as amended) ("Trust Deed").

The Manager of Starhill Global REIT has general power of management over the assets of Starhill Global REIT. The primary role of the Manager is to set the strategic direction of Starhill Global REIT and to make recommendations to HSBC Institutional Trust Services (Singapore) Limited, as trustee of Starhill Global REIT ("Trustee") on acquisitions, divestments and enhancement of the assets of Starhill Global REIT, in accordance with its stated business strategy and the terms of the Trust Deed. Other important functions and responsibilities of the Manager include:

1. using its best endeavours to ensure that the business of Starhill Global REIT is carried out and conducted in a proper and efficient manner and to conduct all transactions with, or for Starhill Global REIT, at arm's length;
2. preparing property business plans on a regular basis, which may contain proposals and forecasts on net income, capital expenditure, sales and valuations, explanations of major variances to previous forecasts, written commentary on key issues and underlying assumptions on rental rates, occupancy costs and any other relevant assumptions. The purpose of these plans is to manage the performance of Starhill Global REIT's assets;
3. ensuring compliance with applicable laws and regulations, and the Trust Deed;
4. attending to all communications with Unitholders; and
5. supervising the property managers in performing the day-to-day property management functions (such as leasing, marketing, maintenance, promotion and accounting) for the properties, pursuant to the property management agreements.

Starhill Global REIT, which is constituted as a trust, has no direct staff of its own (other than the staff

of its China subsidiary). It is externally managed by the Manager, who appoints experienced and well-qualified management staff to run its operations. All Directors and employees of the Manager are remunerated by the Manager, and not by Starhill Global REIT.

The Trust Deed provides inter alia for the removal of the Manager in certain situations, including by way of resolution passed by a simple majority of Unitholders present and voting at a general meeting duly convened, with no Unitholder being disenfranchised.

On 16 September 2010, the Manager obtained a capital markets services licence from the MAS to conduct REIT management activities under the Securities and Futures Act, Chapter 289 of Singapore ("SFA").

CORPORATE GOVERNANCE CULTURE

The Manager believes that strong and effective corporate governance is essential in protecting the interests of the Unitholders of Starhill Global REIT and is critical to the success of its performance as the Manager.

The Manager is committed to the highest standards of corporate governance and transparency in the management of Starhill Global REIT and operates in the spirit of the Code of Corporate Governance 2012 ("Code") in the discharge of its responsibilities as Manager.

The following sections describe the Manager's primary corporate governance policies and practices with specific references to the Code, which incorporate measures for avoiding conflicts of interest, including prioritising the interests of Unitholders over those of the Manager. Where there are differences from the principles and guidelines of the Code, an explanation has been provided in this section. These policies and practices also ensure that applicable laws and regulations including the listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Code of Collective Investment Schemes ("CIS Code") (including the Property Funds Appendix) issued by the MAS, the SFA and the tax ruling dated 20 May 2005 issued by the Inland Revenue Authority of Singapore

are complied with, and that the Manager's obligations in the Trust Deed are honoured.

(A) BOARD MATTERS

The Board's Conduct of Affairs

Principle 1:

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the success of the company. The Board works with Management to achieve this and Management remains accountable to the Board.

The Board of Directors of the Manager ("Board") is responsible for the overall management and corporate governance of the Manager and Starhill Global REIT, including establishing performance objectives for the management team of the Manager ("Management") and monitoring the achievement of these objectives. All Board members participate in matters relating to corporate governance, business operations and risk management, and financial performance.

Each Director must act honestly, with due care and diligence, and in the best interest of Unitholders. This obligation ties in with the Manager's prime responsibility in managing the assets and liabilities of Starhill Global REIT for the benefit of Unitholders. Decisions are taken objectively in the interests of Starhill Global REIT. The Manager has adopted guidelines, details of which are set out on pages 85 to 86 for related party transactions and dealing with conflicts of interests.

Board meetings are scheduled and held at least once every quarter. Four Board meetings were held in FY 2016/17. The Constitution of the Manager permits Board meetings to be held by way of teleconference and videoconference. Directors meet to discuss and review the strategies and policies of Starhill Global REIT, including any significant matters pertaining to acquisitions and disposals, the annual budget, and the financial performance of Starhill Global REIT measured against a previously approved budget. The Board also reviews and approves the release of Starhill Global REIT's quarterly and annual results. The Board will generally review matters