

EXTENDING FOOTPRINT GROWING PRESENCE

METRO HOLDINGS LIMITED / SUSTAINABILITY REPORT 2019



Table of Contents

1.0 INTRODUCTION	1
1.1 ABOUT US	1
1.2 ABOUT THE REPORT	3
2.0 APPROACH TO SUSTAINABILITY	4
2.1 BOARD STATEMENT	4
2.2 STAKEHOLDER ENGAGEMENT	5
2.3 MATERIALITY ASSESSMENT	7
2.4 SUSTAINABILITY GOVERNANCE	8
3.0 PEOPLE	9
3.1 OUR EMPLOYEES	9
<i>Profile of Our Workforce</i>	9
<i>Talent Management and Development</i>	11
3.2 OUR CUSTOMERS	14
<i>Our Supply Chain</i>	14
<i>Customer Satisfaction</i>	15
3.3 HEALTH AND SAFETY OF OUR STAKEHOLDERS	19
<i>Our Employees</i>	19
<i>Our Tenants, Customers and Visitors</i>	24
4.0 ENVIRONMENT	25
4.1 ENERGY USAGE AND ASSOCIATED GREENHOUSE GAS (“GHG”) EMISSIONS	25
5.0 SUSTAINABLE GROWTH	29
5.1 ECONOMIC PERFORMANCE	29
5.2 CORPORATE GOVERNANCE	31
6.0 GRI CONTENT INDEX	32

1.0 INTRODUCTION

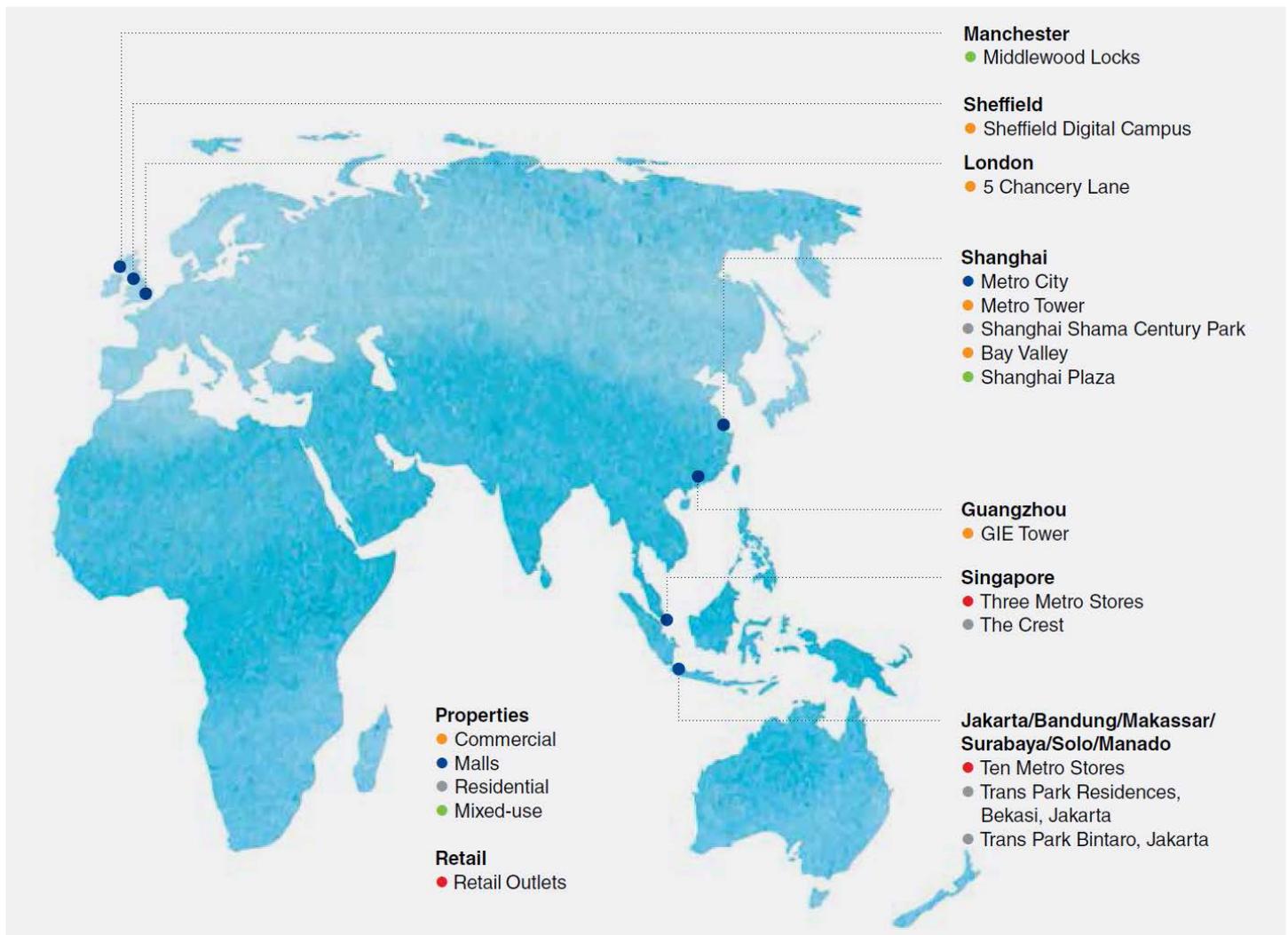
1.1 About Us

Listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX”) in 1973, Metro Holdings Limited (“Metro” or the “Group”) was founded in 1957 by the late Mr Ong Tjoe Kim. Starting out as a textile store on 72 High Street, Singapore, Metro has grown over the years to become a property investment and development group with a broadened and diversified asset portfolio, backed by an established retail track record, with a turnover of S\$172.0 million and net assets of S\$1.5 billion as at 31 March 2019.

Today, the Group operates two core business segments – property investment and development, and retail. It is focused on key markets in the region such as Singapore, the People’s Republic of China (“PRC”), Indonesia, and the United Kingdom (“UK”).



Our Presence



Metro Holdings at a Glance

PROPERTY INVESTMENT AND DEVELOPMENT

The Group's property arm has significant interests in almost 175,000 square metres of prime retail and office investment properties in London and first-tier cities in the PRC, such as Shanghai and Guangzhou, and over 493,000 square metres of residential and mixed-use development properties predominantly held for sale. The Group also owns 14.9% of Top Spring International Holdings Limited ("Top Spring"), a Hong Kong-listed PRC property developer and invests 23.7% and 9.1% in InfraRed NF China Real Estate Fund II (A), L.P. ("InfraRed Fund II") and InfraRed Fund III respectively, both private equity real estate opportunity funds and 7.5% in Mapletree Global Student Accommodation ("MGSA") Private Trust, a private trust in Singapore.



Middlewood Locks, Manchester



5 Chancery Lane, London



Bay Valley, Shanghai



Shanghai Plaza, Shanghai



GIE Tower, Guangzhou



The Crest, Singapore



Trans Park Residences @ Juanda Bekasi, Jakarta



Trans Park Bintaro, Jakarta

CHINA

Shanghai: Metro City, Metro Tower, Shanghai Plaza, Shanghai Shama Century Park, Bay Valley

Guangzhou: GIE Tower

INDONESIA

Jakarta: Trans Park Residences @ Juanda Bekasi, Trans Park Bintaro

SINGAPORE

The Crest at Prince Charles Crescent

UNITED KINGDOM

Manchester: Middlewood Locks

Sheffield: Sheffield Digital Campus

London: 5 Chancery Lane

CHINA INVESTMENT

Top Spring

InfraRed Fund II

InfraRed Fund III

SINGAPORE INVESTMENT

MGSA Private Trust

RETAIL

Metro's retail arm serves customers through a chain of three Metro department stores in Singapore, and another 10 department stores in Indonesia, with one new store that opened in 1QFY2020. The Metro shopping brand is an established household name in the retail industry, and offers a wide range of quality merchandise in over 1.4 million square feet of downtown and suburban retail space in both Singapore and Indonesia.



Indonesia



Singapore

INDONESIA

Jakarta, Bandung, Makassar, Surabaya, Solo and Manado

SINGAPORE

Causeway Point, Paragon and The Centrepoint

For more information on Metro, please visit our website at www.metroholdings.com.sg.

1.2 About the Report

We are proud to present Metro’s Sustainability Report for the financial year ended 31 March 2019 (“FY2019”). It has been prepared in accordance with Global Reporting Initiatives (“GRI”) Standards 2016 – Core option and the SGX Listing Rules 711A, 711B and Practice Note 7.6. We have chosen the GRI Standards as it is an internationally recognised reporting framework and thus allows for comparison with Metro’s peers.

We conducted our first formal materiality assessment with internal stakeholders in FY2018, which led to the identification of sustainability matters most material to our business. These Economic, Environmental, Social and Governance (“EESG”) matters have been reviewed and validated by our Management in FY2019.

Metro has not sought external assurance, but will consider doing so as our reporting matures over time.

Reporting Scope

The reporting scope covers our Corporate office and Retail operations in Singapore, and Properties in China which Metro has an ownership interest over 50%. It contains information for the financial year from 1 April 2018 to 31 March 2019 (“FY2019”). Where applicable, past financial year’s data have been included for comparison purposes.

Figure 1: List of Business Segment under SR2019 Report

Country	Business Segment	Under Reporting Scope¹	Reference in Report
China 	<ul style="list-style-type: none"> ▪ Property Investment and Development 	<ul style="list-style-type: none"> ▪ Metro City, Shanghai ▪ Metro Tower, Shanghai ▪ GIE Tower, Guangzhou 	Referred to as “ China (Property Division) ” or “ Property Division ”
Singapore ² 	<ul style="list-style-type: none"> ▪ Retail 	<ul style="list-style-type: none"> ▪ Metro Paragon ▪ Metro Centrepoint ▪ Metro Causeway Point 	Referred to as “ Singapore (Corporate and Retail Division) ”

Contact us

We welcome feedback or queries about this report. Please contact us at sustainability@metroholdings.com.sg.

¹ The Group owns 100% of Metro Stores, Singapore; 60% of Metro City, Shanghai; 60% of Metro Tower, Shanghai and 100% of GIE Tower, Guangzhou.

² Unless otherwise stated, performance data for the Group Corporate office (391A Orchard Road #19-00 Tower A Ngee Ann City Singapore 238873) will be presented under the Singapore operations.

2.0 APPROACH TO SUSTAINABILITY

2.1 Board Statement

Dear Stakeholders,

It is our pleasure to present to you Metro's Sustainability Report for FY2019. As we continue to extend our footprint and grow our presence, we are mindful of the impact our businesses have on the community and environment. Transparent and timely disclosure of our sustainability performance is a useful tool as it keeps our stakeholders updated with a holistic picture of the Group's performance.

Together with Metro's Management, the Board considers sustainability as vital to our Group strategy and operations. Review of EESG material matters ensures their continued relevance to Metro's operations. Through its committees, the Board oversees the implementation of various initiatives under each EESG matter. Thereafter, sustainability performance is formally disclosed in our Sustainability Report annually.

As we continue on this sustainability journey, we seek ongoing support from our stakeholders and urge everyone to join us towards the goal of sustainable growth and development.

2.2 Stakeholder Engagement

Our success is built upon effective stakeholder engagement. Feedback received from stakeholders can greatly influence business performance. From retail floors to commercial offices, our people engage with different stakeholder groups daily. We strive to keep up with their evolving needs and this guides the type of responses required. Our approach to stakeholder engagement is detailed in Table 1 below.

Table 1: Metro's Stakeholder Engagement

Stakeholder Groups	Key Interests of Stakeholder Groups	Metro's Response	Methods of Engagement	Frequency of Engagement
Retail Shoppers and Visitors	<ul style="list-style-type: none"> ▪ Health, safety and security at properties ▪ Customer satisfaction ▪ Quality of products sold at the stores 	<ul style="list-style-type: none"> ▪ Review of health and safety measures across all properties ▪ Differentiating product and service offerings ▪ Service recovery / prompt response and feedback provided to customers 	<ul style="list-style-type: none"> ▪ Customer feedback (via Ratelt Portal, Metro's website, phone call, Facebook, WhatsApp, Instagram and email) 	<ul style="list-style-type: none"> ▪ Ongoing
			<ul style="list-style-type: none"> ▪ Dedicated customer service counter 	<ul style="list-style-type: none"> ▪ Daily
			<ul style="list-style-type: none"> ▪ Face-to-face interactions in-store on sales floor 	<ul style="list-style-type: none"> ▪ Daily
			<ul style="list-style-type: none"> ▪ Loyalty programmes 	<ul style="list-style-type: none"> ▪ Ongoing
			<ul style="list-style-type: none"> ▪ Networking events 	<ul style="list-style-type: none"> ▪ As appropriate
Tenants	<ul style="list-style-type: none"> ▪ Health, safety and security at properties ▪ Tenant satisfaction ▪ Quality of assets and services 	<ul style="list-style-type: none"> ▪ Health and safety measures implemented across all properties ▪ Regular maintenance of all properties 	<ul style="list-style-type: none"> ▪ Tenant satisfaction survey (through survey form and face-to-face interview) 	<ul style="list-style-type: none"> ▪ Biannually
			<ul style="list-style-type: none"> ▪ Correspondence through email and calls 	<ul style="list-style-type: none"> ▪ Ongoing
			<ul style="list-style-type: none"> ▪ Meetings 	<ul style="list-style-type: none"> ▪ As appropriate
Employees	<ul style="list-style-type: none"> • Provision of fair remuneration, compensation and benefits • Opportunities for career development and progression • Participation in training and skills upgrading programmes • Having a safe and healthy working environment 	<ul style="list-style-type: none"> ▪ Open door policy for employees to provide feedback ▪ Providing learning and development programmes for employees ▪ Sponsorships for selected employees to further their education ▪ Implementation of health and safety measures at the workplace 	<ul style="list-style-type: none"> ▪ Management-Union Dialogue 	<ul style="list-style-type: none"> ▪ Quarterly (Retail)
			<ul style="list-style-type: none"> ▪ MetroNews (internal newsletter) 	<ul style="list-style-type: none"> ▪ Quarterly (Retail)
			<ul style="list-style-type: none"> ▪ Employee orientation 	<ul style="list-style-type: none"> ▪ Ongoing (Retail)
			<ul style="list-style-type: none"> ▪ On-the-job training 	<ul style="list-style-type: none"> ▪ Ongoing (Retail and Property)
			<ul style="list-style-type: none"> ▪ Performance reviews and appraisals for all employees 	<ul style="list-style-type: none"> ▪ Ongoing (Corporate) ▪ Weekly, quarterly and yearly reviews (Retail and Property)
<ul style="list-style-type: none"> ▪ Workshops for both technical and soft skills development 	<ul style="list-style-type: none"> ▪ As appropriate (Corporate) 			

Stakeholder Groups	Key Interests of Stakeholder Groups	Metro's Response	Methods of Engagement	Frequency of Engagement
Employees			<ul style="list-style-type: none"> Employee engagement events (CEO Quarterly Recognition Lunch; festive celebrations; Metro Staff Recreation Club; Workplace Safety & Health Committee) 	<ul style="list-style-type: none"> Ongoing (Retail)
			<ul style="list-style-type: none"> Participation in Workgroup Meetings, Email correspondence 	<ul style="list-style-type: none"> Ongoing
Suppliers and Business Associates	<ul style="list-style-type: none"> Receipt of timely payments Regulatory compliance 	<ul style="list-style-type: none"> Timely and transparent communication with suppliers / business associates Stringent selection of suppliers to ensure compliance with company standards and laws and regulations 	<ul style="list-style-type: none"> Correspondence through calls, emails and video conferences 	<ul style="list-style-type: none"> Ongoing
			<ul style="list-style-type: none"> Face-to-face meetings to feedback on performance 	<ul style="list-style-type: none"> Ongoing
Investors, Shareholders, Analysts and Media	<ul style="list-style-type: none"> Economic performance Growth strategy and future outlook 	<ul style="list-style-type: none"> Timely and transparent disclosure on a dedicated Investor Relations website Strategies to achieve sustainable distributions for investors and shareholders 	<ul style="list-style-type: none"> Annual Report and Sustainability Report 	<ul style="list-style-type: none"> Annually
			<ul style="list-style-type: none"> Annual General Meeting ("AGM") 	<ul style="list-style-type: none"> Annually
			<ul style="list-style-type: none"> SGXNet announcements and press releases 	<ul style="list-style-type: none"> As appropriate
			<ul style="list-style-type: none"> Analysts' and media briefing 	<ul style="list-style-type: none"> Annually
			<ul style="list-style-type: none"> Correspondence through calls and emails 	<ul style="list-style-type: none"> Ongoing
Regulators	<ul style="list-style-type: none"> Regulatory compliance 	<ul style="list-style-type: none"> Uphold highest levels of corporate governance Compliance with all relevant laws and regulations Promote communication with authorities 	<ul style="list-style-type: none"> Meetings with authorities 	<ul style="list-style-type: none"> As appropriate
			<ul style="list-style-type: none"> Attendance at seminars and workshops organised by regulatory bodies 	<ul style="list-style-type: none"> As appropriate
			<ul style="list-style-type: none"> Pledge to support Securities Investors Association (Singapore) Corporate Governance Week 	<ul style="list-style-type: none"> As appropriate
Our Community	<ul style="list-style-type: none"> Responsible management of our impacts on the community Provide assistance to the community 	<ul style="list-style-type: none"> Involvement and investments in Corporate Social Responsibility initiatives 	<ul style="list-style-type: none"> Community outreach programmes 	<ul style="list-style-type: none"> As appropriate
			<ul style="list-style-type: none"> Sponsorships (monetary and in-kind) 	<ul style="list-style-type: none"> As appropriate

2.3 Materiality Assessment

Through a formal materiality assessment conducted in FY2018, we identified ESG matters which were most material to our businesses. In FY2019, these existing matters were reviewed by our Management and remain unchanged. We will review our material matters annually to ensure their continued relevance in future reporting periods.

Figure 2: Four-Step Materiality Assessment Process

1	Identification A list of potential ESG matters was consolidated by our external consultants through interviews with key management personnel across various departments and a desktop analysis of sustainability matters reported by peers in both the retail and property industries.
2	Prioritisation The identified ESG matters were evaluated and prioritised by representatives from both Property and Retail Divisions, taking into consideration both internal and external stakeholders' perspectives. Subsequently, they were aligned at the Corporate level for consistency across the Group.
3	Validation The final list of material matters for the FY2018 Sustainability Report was presented to the Board for their validation and approval.
4	Review Material matters selected for reporting in FY2018 were reassessed to ensure their continued relevance to our operations in FY2019. We will continue to review our material matters annually.

Figure 3: Metro's Materiality Matrix

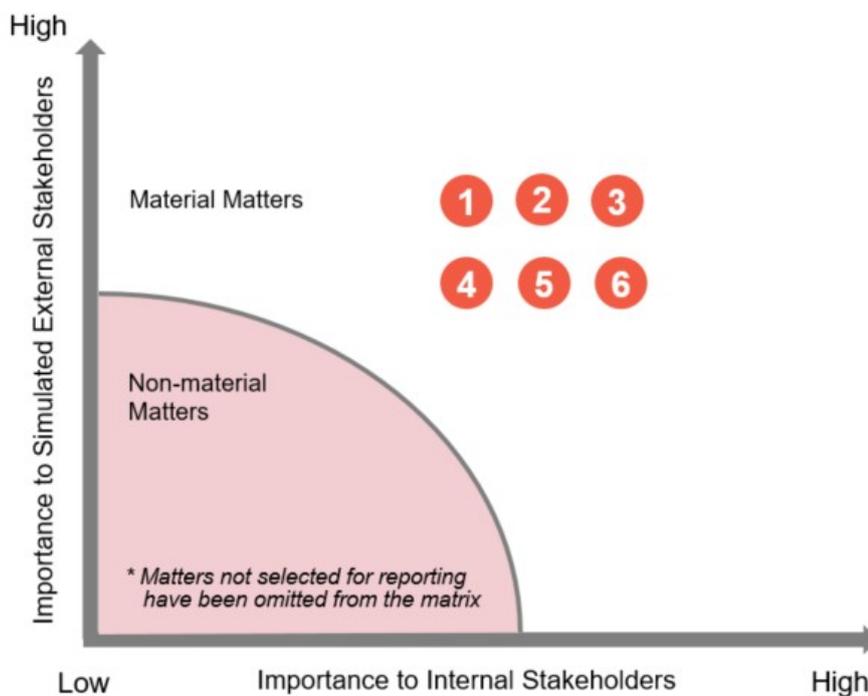


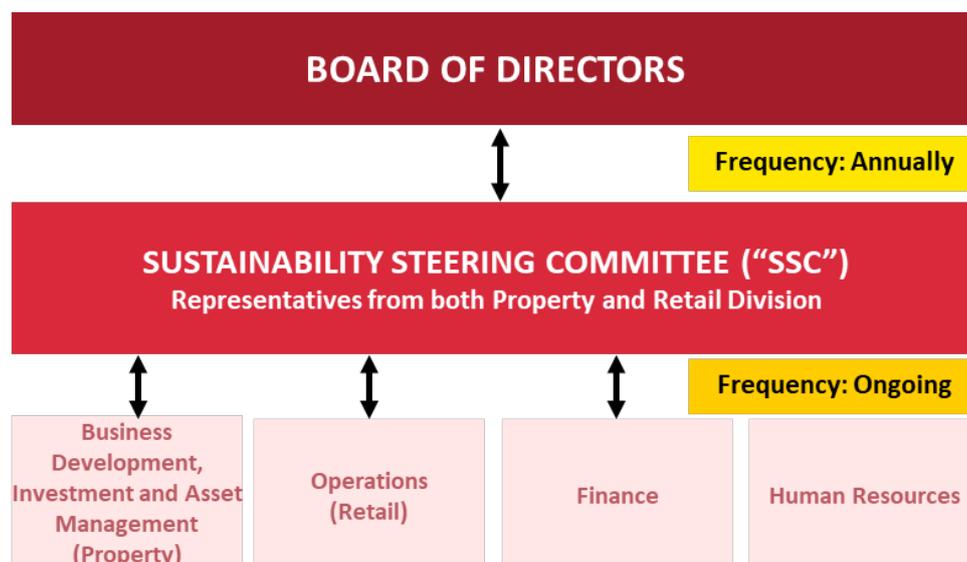
Figure 4: Mapping of Material Matters to GRI Standards

	Material Matter	CATEGORY	GRI TOPIC-SPECIFIC DISCLOSURE	PAGE REFERENCE
1	Economic Performance	Environment	<ul style="list-style-type: none"> GRI 201 Economic Performance [201-1] 	29-30
2	Energy Usage and Associated Greenhouse Gas (“GHG”) Emissions	Economic	<ul style="list-style-type: none"> GRI 302 Energy [302-1, 302-3] GRI 305 Emissions [305-1, 305-2, 305-4] 	25-28
3	Talent Management and Development	Social	<ul style="list-style-type: none"> GRI 404: Training and Education [404-1, 404-3] 	11-14
4	Customer Satisfaction	Social	<ul style="list-style-type: none"> No relevant GRI topic-specific disclosure 	15-19
5	Health and Safety of Our Stakeholders ³	Social	<ul style="list-style-type: none"> GRI 403 Occupational Health and Safety [403-2] GRI 416 Customer Health and Safety [416-2] 	19-25
6	Corporate Governance	Governance	<ul style="list-style-type: none"> GRI 205 Anti-corruption [205-3] GRI 307 Environmental Compliance [307-1] GRI 419 Socioeconomic Compliance [419-1] 	31

2.4 Sustainability Governance

Integration of sustainable processes and initiatives is critical for business continuity. The Board bears overall responsibility for sustainability and integration of EESG matters in the formulation of our strategy. The Sustainability Steering Community then sets the sustainability direction for our business operations. This includes target setting and execution of initiatives. The Sustainability Steering Committee reports sustainability performance to the Board on an annual basis.

Figure 5: Metro's Sustainability Governance Structure



³ Stakeholders are defined as employees, tenants, customers and visitors.

3.0 PEOPLE

3.1 Our Employees

Profile of Our Workforce

In FY2019, we saw a 7% decrease in headcount to 591 employees. This was due to the reduction of fixed-term employees at Retail Division in Singapore. Over the two years, majority of our workforce is made up of permanent full time employees.

In China (Property Division), 98% of Metro’s employees are located at our two properties in Shanghai. For our Guangzhou property (GIE Tower), we have four permanent employees and appointed CBRE China (“CBRE”) as the property manager. CBRE oversees the operations, facility management and maintenance of the building and their employees are not included in Metro’s headcount.

As with FY2018, a significant portion of our Chinese employees are hired on a fixed-term contract which is a common practice in China. While it allows for recruitment flexibility, all employees are still provided with the same benefits mandated by the Social Insurance Law of the People’s Republic of China. This includes mandatory monthly contributions to their employee social security fund as stipulated by the Ministry of Human Resources and Social Security, PRC. All benefits are the same regardless of employment type.

Figures 6 to 8 showcases the breakdown of our workforce according to region, gender, employment contract and employment type.



591

Total Number of Employees⁴ as at 31 March 2019



Metro Corporate HQ
(Singapore)

30



Retail
(Singapore)

358



Property
(China)

203

⁴ An employee is defined as an individual who is in an employment relationship with Metro. A worker is defined as an individual that performs work but is not an employee. The employee statistics above exclude workers. Metro considers our interns and contractors as workers. Details of our workers are as follows:

As at 31 March 2019, we have a total of 89 workers. They include 17 workers hired under our Retail Division as interns and contractors in Singapore and a total of 72 workers hired under our Property Division.

Figure 6: Breakdown of Employees by Gender and Region

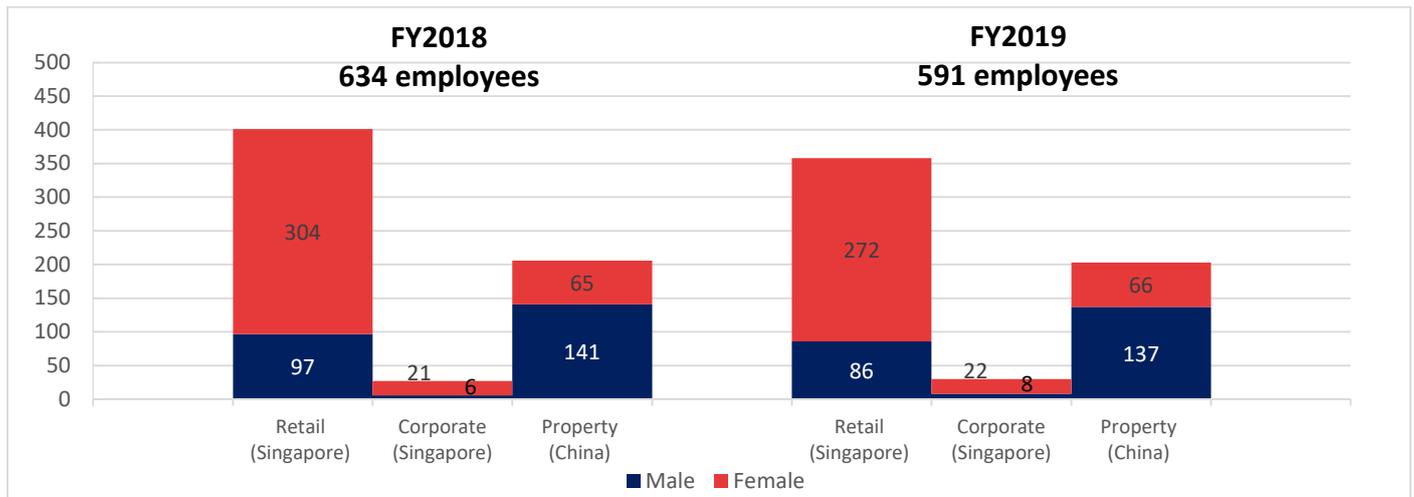
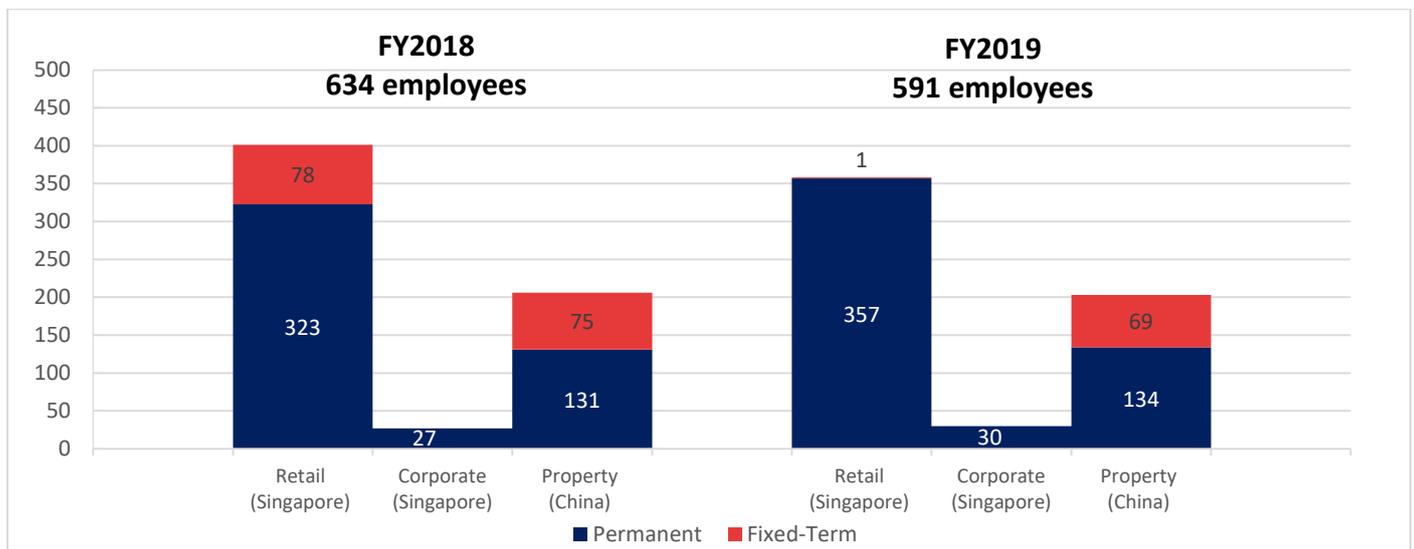
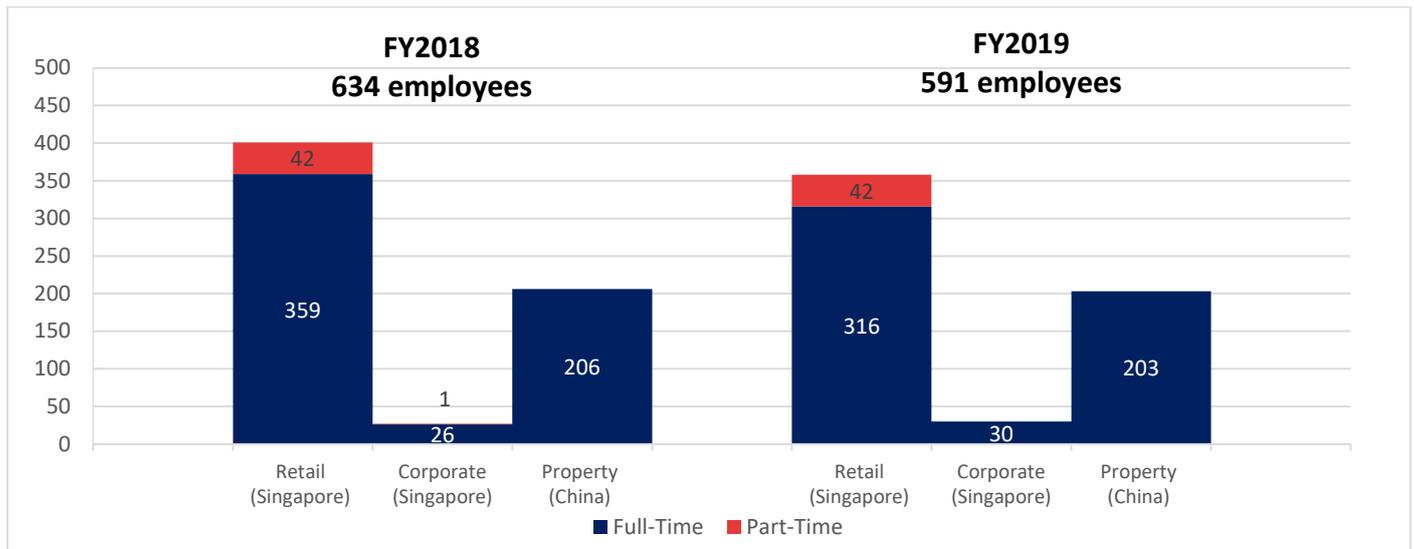


Figure 7: Breakdown of Employees by Employment Contract⁵ and Region



⁵ Employment contract (permanent and fixed-term) and employment type (full-time and part-time) are as defined by the GRI Standards.

Figure 8: Breakdown of Employees by Employment type⁵ and Region



Talent Management and Development

An engaged and motivated workforce is vital to Metro’s success. As such, we continuously invest in training and development. Our Human Resources (“HR”) Division has formulated various policies and initiatives that aim to provide opportunities for all employees in a safe and conducive working environment.

China (Property Division)

Policies and Practices

In FY2019, the Training Management Procedure has been reviewed to optimise training content, plans, measures and evaluation processes. All relevant materials are accessible via a training management system which is made available to all employees in Shanghai through the internal portal. The HR Department in Shanghai has implemented various trainings on professional and specific skills which will help new hires assimilate into the workplace and upgrade existing employees. Trainings are also conducted to raise awareness on workplace health and safety.

All employees in China undergo a formalised appraisal process annually where supervisors review performance and highlight areas for improvement. Regular communication is encouraged to ensure alignment of expectations between employees and their supervisors.

Figure 9: Types of Internal and External Trainings conducted for Employees

Internal	<ul style="list-style-type: none"> • Mandatory Induction Training <ul style="list-style-type: none"> ○ A general company-wide training will be held for all new hires ○ Department-specific trainings will be held thereafter
	<ul style="list-style-type: none"> • Specialised/Focused Training <ul style="list-style-type: none"> ○ Various topics covering energy management and social aspects are held for employees ○ Topics will be updated every year ○ For Shanghai: A training on Energy Management System was introduced in FY2019 ○ For Guangzhou: Training is scheduled quarterly which all employees have to complete <ul style="list-style-type: none"> ▪ Each department will conduct at least four trainings per month for employees based on their job scope
	<ul style="list-style-type: none"> • Occupational Health and Safety Training <ul style="list-style-type: none"> ○ Various activities organised to create employee awareness on health and safety

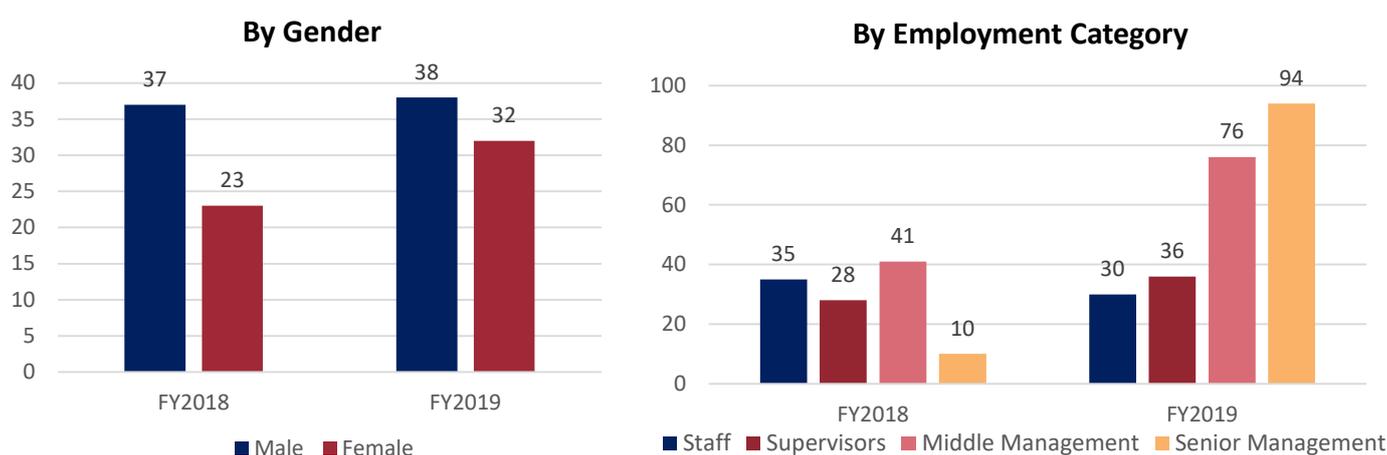
External	<ul style="list-style-type: none"> • Technical Skills Training <ul style="list-style-type: none"> ○ External training vendors will be engaged to conduct specialised trainings in areas such as security, equipment maintenance, mall and property management as well as organisational and managerial capability building workshops when required
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Performance and Targets

Material Aspect	Target for FY2019	Performance for FY2019	Target for FY2020
Training and Development	Achieve 100% onboarding training for all new hires in China	Achieved 	Achieve 100% onboarding training for all new hires in China

In addition to achieving our target of 100% training for all new hires in FY2019, we recorded an increase in total training hours clocked in the Property Division. A total of 7,218 training hours was recorded, averaging 35.6 hours per employee. This can be attributed to the increase in training hours by management-level employees, in particular additional trainings required by authorities in FY2019, as well as onboarding for new senior management.

Figure 10: Average Training Hours Per Employee by Gender and Employment Category for Property



Singapore (Corporate and Retail Division)

Policies and Practices

Our HR Division maintains oversight on talent management and development. We encourage all employees to constantly improve themselves throughout their careers with us. Across our three stores, morning briefings are conducted by our Duty Manager to refresh associates on our service standards. As and when required, our HR Division will also conduct formalised refresher or additional trainings.

In FY2019, our Retail Division completed the Service Distinction Programme launched in FY2018 and introduced two new programmes aimed at reinforcing service excellence and focuses on Metro's service standards for employees at various ranks. Details of the two programmes are showcased in the case study on page 13.

All employees go through a formal performance appraisal process annually. This process ensures that expectations are conveyed to employees and their performance is monitored closely. A regular two-way communication is encouraged between supervisors and staff and allows for matters to be addressed promptly.

Case Study: Working Better, Leading Better and Serving Our Shoppers Better

<p>The Invincible Power of Customer Service</p> 	<p>Retail Sales Performance: Measuring & Coaching for Results</p> 
<p>Who is it for?</p>	
<p>Cashiers, Customer Service Associates, Sales Associates, Supervisors, Executives and Managers</p>	<p>Supervisors, Executives and Managers</p>
<p>What are the objectives?</p>	
<ul style="list-style-type: none"> • Recognise the need to focus on service excellence and customer value • Educate employees on METRO 4 Service Goals and Service Standards • Understand the benefits and display the 4 Service Goals and Metro’s Service Standards in daily work scope to deliver service excellence <div style="background-color: #f0f0f0; padding: 10px; margin-top: 10px;"> <p>METRO 4 SERVICE GOALS</p> <ol style="list-style-type: none"> 1. Metro sells products that customers want 2. It is easy to shop at Metro stores 3. Metro staff are courteous, friendly and knowledgeable 4. Metro is reliable and trustworthy </div>	<ul style="list-style-type: none"> • Understand and undertake a leadership role in driving retail sales performance • To create a willing and winning team using retail sales productivity statistics
<p>What have we achieved?</p>	
<p>Employees are now equipped with enhanced service and selling skills through the application and execution of Metro’s Four Service Goals.</p>	<p>Employees with leadership roles are now able to leverage on retail sales statistics and conduct coaching to their team members.</p>
<p>What do our employees say?</p>	
<p><i>Questions on the Training Program’s Evaluation Form were ranked “very well”. Comment from associate on the training: “Thank you! More trainings for all associates can be done!”</i></p>	<p><i>“The Trainers trained us very well and explained everything, especially during role playing. From there I was able to see the weak/negative points, which I must apply and make a positive service impact.”</i></p> <p><i>“It’s great that I was nominated to attend this training. This session brought to my attention where I have done well and where I may improve on my customer service. Thank you!”</i></p>

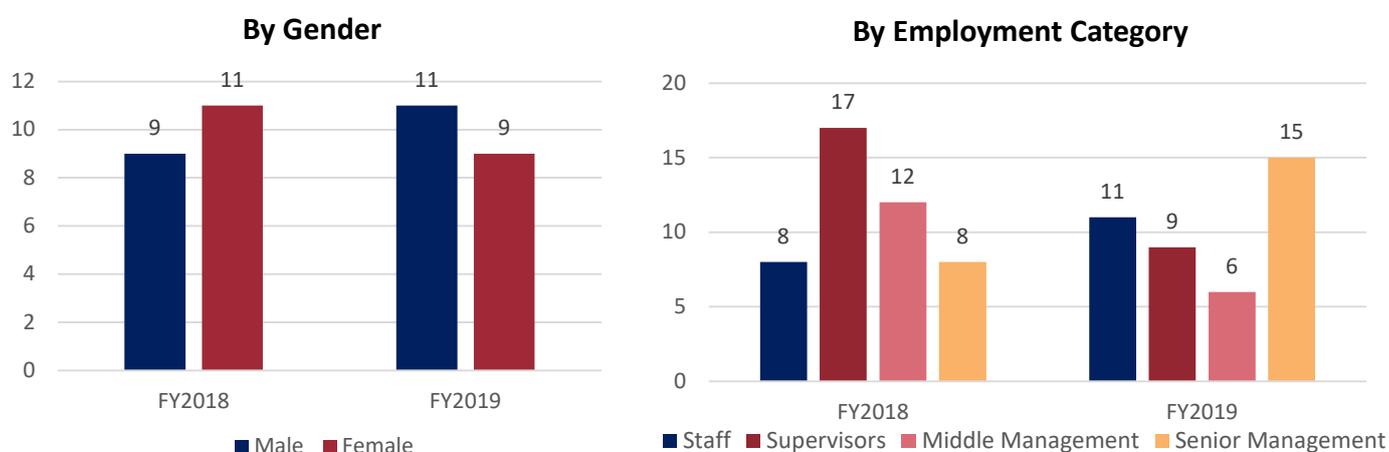
A total of 32 associates has completed ‘The Invincible Power of Customer Service’ programme and 37 associates have attended the ‘Retail Sales Performance: Measuring & Coaching for Results’. Key pointers from ‘The Invincible Power of Customer Service’ are used for on-going briefing and coaching by supervisors and managers.

Performance and Targets

Material Aspect	Target for FY2019	Performance for FY2019	Target for FY2020
Training and Development	Provide conducive workplace for employees' development and well-being	Recorded 3,782 hours of training and development in FY2019 	Implementation of E-learning for Supervisors and Managers

In FY2019, we recorded 3,782 hours of training and development. Training programmes will be reviewed and updated when targeted employees have completed the modules.

Figure 11: Average Training Hours per Employee by Gender and Employment Category for Retail



3.2 Our Customers

Our Supply Chain

Due to the differing nature of our businesses, our Retail and Property Divisions have separate supply chains.

For the Property Division, Shanghai Metro Tower and Metro City engage contractors for cleaning services, security services, renovation works and maintenance of facilities. We put in place various guidelines on the scope of work to ensure consistency in the provision of services across the properties. All applicable state laws and regulations which have to be acknowledged by the service providers before engagement are encapsulated in contractual agreements. We communicate the service expectations upfront and engage with service providers on a regular basis to ensure continuous alignment. For GIE Tower in Guangzhou, CBRE China has been engaged as the property manager to take charge of day-to-day operation such as the maintenance and repair works, security, and cleaning.

The Metro retail brand is home to an array of highly recognised local and international brands. We obtain our products of leading international brands from local distributors, with products ranging from skincare and cosmetics, fragrances, fashion wear to bedding and mattresses. Metro also engages third-party contractors to provide services, including maintenance and renovation work, security, and delivery.

Customer Satisfaction

China (Property Division)

Policies and Practices

Across our China properties, we are committed to maintaining a high level of tenant satisfaction. We interact with stakeholders regularly through meetings, emails and calls. Feedback is formally gathered through our annual satisfaction survey across five areas: security, cleanliness, repair and maintenance work, facility management and provision of amenities.

Based on FY2018 feedback, we embarked on a lift and escalator replacement programme at Metro City which completed in May 2018. The new lifts feature enhanced lift control, improved user interface, balanced air-conditioning and fan system, and digital screens. This has greatly improved customer satisfaction at Metro City.

Our customer satisfaction monitoring programme is ISO9001:2005 certified. Under the Quality Management Systems requirements, issues raised will be recorded for timely rectification and to prevent reoccurrence.

Performance and Targets

We have received over 900 responses to our FY2019 customer satisfaction surveys and are proud to disclose that we have surpassed our targets on overall satisfaction of shoppers at Metro City and tenants at Metro Tower. Across Metro City and Metro Tower, respondents were 'very satisfied' with the provision of amenities and cleanliness and the facility management team's level of engagement was rated 'satisfactory'.

At GIE Tower, tenants were most concerned about cleanliness and hygiene levels. We strive to maintain areas where we have excelled and to improve in areas where we have not met expectations. Figure 12 details the actions taken in the reporting year and our future plans.

Figure 12: FY2019 Customer Satisfaction Survey Performance and Future Plans

Survey Group	Perpetual Target	Results for FY2019	Actions Taken in the Reporting Year	Future Plans
Shanghai				
Tenants in Metro Tower	98%	99%	<ul style="list-style-type: none"> ▪ Improved repair and maintenance services ▪ Refined response procedure to ensure active, prompt and effective engagement ▪ Follow up with tenants to ensure important issues are resolved 	<ul style="list-style-type: none"> ▪ Assess tenants' requests and identify areas for improvement and develop action plans
Tenants in Metro City	98%	99%	<ul style="list-style-type: none"> ▪ Provided platforms for engagement (such as WeChat), regular updating of tenants' promotions on shopping guide and on Metro's official WeChat account 	
Consumers	88%	91%	<ul style="list-style-type: none"> ▪ Optimised floor plan and layout of stores ▪ Proactively communicated with suppliers to introduce new facilities and enhance indoor landscaping to create a pleasant shopping experience ▪ Increased frequency of repair and maintenance services for consumers 	<ul style="list-style-type: none"> ▪ Continue to monitor and keep up with changing trends to provide better consumer experience

Survey Group	Perpetual Target	Results for FY2019	Actions Taken in the Reporting Year	Future Plans
Guangzhou				
Tenants in GIE Tower	90%	100%	<ul style="list-style-type: none"> Enhanced frequency of cleaning and hygiene checks Installed air fresheners for a more pleasant and welcoming environment 	<ul style="list-style-type: none"> Arrange for department meetings two to three times a month to review and resolve issues

Case Study: Happy Summer in Metro in FY2019

In addition to providing a positive Metro shopping experience, we remain committed to giving back to society. FY2019 marks the 19th year of our 'Happy Summer in Metro' event. During the course of the six-week long event from mid-July to mid-August 2018, we held numerous activities with participation of more than 8,000 shoppers.

Happy Summer in Metro

With the support of our retail tenants, various activities were organised in Metro City, Shanghai catering to all age groups and interests. We collaborated with popular online platforms such as Tik Tok and WeChat to extend our brand name. Across the campaign, we served over 4.8 million customers and achieved more than RMB1 billion turnover (\$\$197 million). This was a 14.5% increase from FY2018. Over 17 media outlets covered our events and performances, and the total output from this event was estimated to be 3.5 times of the total investment.



Opening ceremony of Happy Summer in Metro. At the event, the audience enjoyed the series of musical performances by our students and orchestras. We also presented the Metro Scholarship and Bursary to nominated students.



Left to Right: Crystal soccer game booth, E-Sports gaming competition, Digital drawing workshops, Storytelling sessions by 虫姐姐



Left to Right: Screening of popular movies for families, Trendy Bazaar featuring the latest in handmade crafts and jewellery

Singapore (Retail Division)

Policies and Practices

We remain committed to delivering value to every shopper. Their satisfaction is our top priority. Our Retail Division is dedicated to serving each customer to the best of its ability. In FY2019, we introduced new measures to elevate the Metro shopping experience. We have continued to introduce new product and service offerings to capture a larger audience and to better meet their expectations.

New Product and Service Offerings	Description	Actions Taken by Metro
Introduction of new and tourist-centric payment platforms	Platforms such as Singtel Dash, GrabPay, WeChat and Alipay that provide quick and seamless transaction options	Training has been provided to all employees on the use of various platforms

Feedback is gathered in real-time from our three stores and our social media platform. At our stores, performance is continuously tracked through the “RateIt” Tablet. Each tablet is strategically placed at our counters that allow for shoppers to rate the service provided. The platform uses a Net Promoter Score⁶ (“NPS”) which is tabulated live and is reflective of our performance at any one time. It also allows for store managers to look into recurring issues, ensuring they are promptly addressed.

Feedback and issues received via “RateIt” have also been used for coaching and identifying areas for improvement. Our team aims to respond to any negative feedback within three working days, and such comments on social media platforms will not be removed.

FINDINGS FROM “RATEIT” TABLET AND ACTIONS TAKEN BY METRO



⁶ Net Promoter Score (“NPS”) is an index ranging from -100 to 100 that measures the willingness of customers to recommend a company’s products or services to others. It is often used to measure the customer’s overall satisfaction and loyalty to the brand.

Performance and Targets

Our Retail Division uses NPS (via the Ratelt Platform) and Customer Satisfaction Index of Singapore (“CSISG”)⁷ as performance rating systems. In FY2019, we were placed 3rd (out of 12 departmental stores) in CSISG for Retail Sector and achieved +79 points for our NPS, which have surpassed the targets set in FY2018. We remain committed to delivering exceptional service and have set out our targets for the forthcoming year in Figure 13 below.

Figure 13: FY2019 Targets for Customer Satisfaction, Results and Future Plans

Target for FY2019	Results for FY2019	Performance and Actions Taken in Reporting Year	Target for FY2020	Future Plans
Customer Satisfaction Index of Singapore (“CSISG”)				
To achieve 4 th place or better in the Retail sector	3 rd	<ul style="list-style-type: none"> Improved from 4th place in FY2018 to 3rd place out of 12 departmental stores in FY2019 Deployment of third-party beauty advisors Relocation of cashier counters 	To achieve 3 rd place or better in the Retail sector	Continue working with Ratelt vendor on more precise indicators to better identify weaker areas for improvement such as staff’s more in-depth product knowledge
Net Promoter Score (“NPS”)				
+75 points	+79 points	<ul style="list-style-type: none"> Improved from +71 points in FY2018 to +79 points in FY2019 Daily, weekly and monthly monitoring of NPS to rectify issues promptly and prevent reoccurrence 	+80 points	



“Rachel was so helpful in solving my issues, going above and beyond. She was knowledgeable and efficient, and provided excellent service. You would do well you have lots of staff like Rachel. I will definitely shop more at Metro knowing there are people like her. Excellent customer service!”

Feedback received at Metro Centrepoint via Ratelt on 31 December 2018



“Service was slow and discounts are not offered directly”

Feedback received at Metro Centrepoint via Ratelt on 29 June 2018

Metro’s Response: We consistently review the competitiveness of our promotions and work closely with our vendors to offer better ‘Gifts with Purchase’ in addition to the stores’ discounts.

⁷ The Customer Satisfaction Index of Singapore (“CSISG”) computes customer satisfaction scores at the national, sector, sub-sector, and company levels. CSISG is an annual quantitative benchmark of the quality of goods and services produced by the Singapore economy over time and across the country.

Excellent Service Award (“EXSA”) – Retail

Metro participates in EXSA (Retail) yearly. Employees are required to fulfil three customer service criteria: (1) number of compliments received, (2) internal and external service-related awards received, and (3) clock a minimum of 3.5 hours of service skills training.

In FY2019, a total of 86 recipients (55 Gold Award and 31 Silver Award) were conferred the awards for their excellent service. In FY2020, we have nominated 45 associates for the EXSA award. Results of EXSA 2019 will be announced in the subsequent Sustainability Report.



3.3 Health and Safety of Our Stakeholders

Our Employees

China (Property Division)

Policies and Practices

Our China (Property Division) policies are formulated in accordance with regional and national laws. We align our safety management systems to international standards such as OHSAS 18001. While GIE Tower in Guangzhou is not directly managed by Metro, stringent Occupational Health and Safety (“OHS”) expectations are conveyed to our property manager CBRE.

The OHS Committee maintains oversight on workplace safety and health. As part of employee induction, new-hires are required to understand and acknowledge the guidelines set out in this policy. Sign-off is required from third-party contractors prior to the commencement of their work.

Safety is a shared responsibility. Regular risk assessments are conducted to identify and rectify potential hazards within the respective department’s scope of work. Employees are also encouraged to exercise vigilance and prevent all unsafe acts. Employees can highlight to their supervisors immediately or via the Group Corporate Office in Singapore on any breach of OHS policy.

In FY2019, Metro Shanghai signed the FY2019 Safety Work Responsibility Pledge with its local joint venture partner Shanghai Xujiahui Centre (Group) Co. Ltd. This pledge affirmed Metro Shanghai’s commitments, plans and disclosed targets for a safer workplace for all stakeholders. Submission is done on an annual basis and the Group discusses our approach on safety training for employees on topics such as identification of workplace risks and how to mitigate them. It also details frequency and areas for checks by security personnel.

Internal audits are conducted twice a year and external audits are done annually in accordance with OHSAS 18001 standards. In FY2019, there was one minor non-compliance on outsourcing management raised during the external audit. Property Management department at Metro City conducted a cause analysis and developed follow-up actions to prevent similar occurrences in the future. Findings are detailed in the following page.



Areas for Improvement



Cause Analysis by Metro's Team



Actions Taken

Identification of workplace risks and relevant Standard Operating Procedure ("SOPs")

Risks such as working at height and working in confined spaces should also be captured in the risk register. Currently only falling risks are included.

Property Management has updated the current risk register to capture all identified risks.

Training was conducted for relevant workers exposed to such risks in accordance with Metro City guidelines. Short-term tenants are now included within the same scope as normal tenants.

Communication of all risks to short-term tenants

Short-term tenants were only informed of the requirements of operation in Metro City but not the operational risks.

They are given a copy of the 'Metro City Mall Management Policy', required to acknowledge and abide by the guidelines on daily operations. A mandatory sign off on firefighting, security, food safety as part of the risk management during the lease period was also required.

At GIE Tower in Guangzhou, CBRE manages OHS in a similar manner. They provide insurance coverage on workplace injuries, introduce health and wellness initiatives such as annual health screenings, health talks, hiking and other sports activities to employees. All CBRE employees are required to read and understand the health and safety guidelines listed in the Employee Handbook. Injury rates will have to be reported annually to the Ministry of Human Resources and Social Security of the People's Republic of China. We remain committed to our perpetual target of zero safety incidents.

Performance and Targets

Material Aspect	Perpetual Target	Performance for FY2019
Occupational Health and Safety	Zero fatality rate, injury rate, occupational disease rate and lost day rate for employees	Achieved 

Creating a safe environment results in a more productive workforce. In FY2019 we had zero fatalities, occupational diseases and workplace injuries, similar to FY2018. We also recorded a lower absentee rate this year.

Figure 14: Occupational Health and Safety Statistics for Property

China (Property Division)	FY2018			FY2019		
	Male	Female	Total	Male	Female	Total
Number of Injuries	0	0	0	0	0	0
Injury Rate ("IR") ⁸	0	0	0	0	0	0
Lost day rate ("LDR") ⁹	0	0	0	0	0	0
Absentee Rate ("AR") ¹⁰	0.82%	5.29%	2.23%	0.69%	2.43%	1.26%

⁸ Injury Rate is calculated as the total number of fatal and non-fatal workplace injuries per 100,000 employees, as defined by the Ministry of Manpower ("MOM") in Singapore.

⁹ Lost Day Rate is calculated as the number of man days lost to workplace accidents per 1,000,000 man-hours worked, as defined by MOM in Singapore. We have used MOM's formulas to calculate safety statistics which ensures consistency and comparability between China and Singapore.

Singapore (Corporate and Retail Division)

Policies and Practices

We provide all employees with a safe and healthy work environment. Overseeing Retail Division’s Workplace Health and Safety (“WSH”) is the WSH Chairman. He is supported by committee members who are representatives of each of our Metro stores, Head Office of Retail and the Branch Union. Collectively, this committee is responsible for establishing and maintaining safety and health initiatives and programmes at the workplace. While representatives from Corporate are not part of this committee, they ensure compliance at the Corporate office.

Developed in accordance with the WSH Act stipulated by the Ministry of Manpower (“MOM”), Retail Division’s WSH policy outlines our commitment and approach towards WSH. Roles and responsibilities have been clearly detailed within this document. It also guides employees on carrying out risk assessments, guidance on inspection and reporting procedures. All employees across our business operations and third-party workers are required to adhere to the policy and practices.

Figure 15: Retail Division's WSH Committee



During induction, all employees will be given a Safe Work handbook which outlines expected conduct, safe work practices and reporting channels. Workplace inspections are conducted by our WSH Committee every two months. This continuous assessment ensures that health and safety risks are recorded and measures remain relevant. Regular WSH talks are also organised to inculcate a safety culture among our employees. We also advocate general wellness. Details of the initiatives are showcased in the case studies on page 22.

¹⁰ Absentee Rate is the total absentee days lost, relative to the total days scheduled to be worked by the employees in the reporting period, expressed as a percentage, as defined by the GRI Standards.

Case Study: Safety Training and Education

To ensure that our workplace has a sufficient and readily available pool of first-aiders, we sent eight employees to attend the Occupational First Aid with CPR+AED Course. Another seven employees had also renewed their certificates under the Occupational First Aid with CPR+AED Refresher Course.

In August and October 2018, we conducted in-house SGSecure¹¹ training and mass safety briefings for employees and third-party workers. Alongside our appointed safety consultants, safe work practices on use of ladders, manual handling and lifting of objects were covered. Employees were also taught how to handle workplace incidents such as cuts, bruises, trips and falls. Corporate employees also participated in annual fire drills held by our landlord.



Case Study: Health and Wellness

In support of Singapore's movement towards healthy living and healthier workspaces, Metro collaborated with Orchard Road Business Association to organise nature walks, morning stretching exercises, Zumba sessions and talks throughout the year.

To encourage employees to stay active, Metro participated in the Health Promotion Board's National Steps ChallengeTM. A total of 234 staff registered for the fourth season. Every two weeks, a Corporate Challenge Report was emailed, updating employees on the company's ranking.



¹¹ SGSecure is a national movement in Singapore. It was launched by Prime Minister Lee Hsien Loong on 24 September 2016. It aims to prepare the public in the event of a terrorist attack. For more information, please visit <https://www.sgsecure.sg/>

Performance and Targets

Material Aspect	Target for FY2019	Performance for FY2019	Target for FY2020
Occupational Health and Safety	Reduce number of lost days due to work-related injuries and illness by 10%	Achieved 75% reduction 	Reduce number of lost days due to work-related injuries and illness by 10% against FY2019

In FY2019, we achieved zero fatalities and zero occupational diseases for both employees and third-party workers. There were two minor incidents which occurred to an employee and a worker. Safety statistics presented in Figure 16 do not include the worker's injury as we only keep track of the injuries but not their working hours. Corrective actions have been promptly implemented to prevent reoccurrences.

We recorded a 75% drop in Injury Rate ("IR") and Lost Day Rate ("LDR") due to large decrease in reported injuries in FY2019. For FY2020, we maintain our commitment towards reducing the number of lost days by 10% and strive towards a zero-incident work environment.

Figure 16: Occupational Health and Safety Statistics for Corporate and Retail

Singapore (Corporate and Retail Division)	FY2018			FY2019		
	Male	Female	Total	Male	Female	Total
Number of Injuries	2	2	4	0	1	1
Injury Rate ("IR") ¹²	2,062	658	998	0	340	258
Lost day rate ("LDR") ¹³	83	8	24	0	8	6
Absentee Rate ("AR") ¹⁴	1.99%	1.47%	1.58%	2.01%	1.83%	1.87%

Figure 17: Summary of Injury Cases for FY2019

FY2019			
Number of Injuries		Description of Injuries	Corrective Measures
Male	Female		
Employees			
0	1	One employee tripped over a bench and fell at the staff canteen	The bench was removed to prevent reoccurrence of such trip and fall incidents
Workers			
0	1	One worker's right arm was caught in between the store's metal clothing racks as she was rushing to assist a customer.	The worker was reminded to exercise caution when carrying out duties near the metal clothing racks.

¹² Injury Rate is calculated as the total number of fatal and non-fatal workplace injuries per 100,000 employees, as defined by the Ministry of Manpower ("MOM") in Singapore.

¹³ Lost Day Rate is calculated as the number of man days lost to workplace accidents per 1,000,000 man-hours worked, as defined by MOM in Singapore.

¹⁴ Absentee Rate is the total absentee days lost, relative to the total days scheduled to be worked by the employees in the reporting period, expressed as a percentage, as defined by the GRI Standards.

Our Tenants, Customers and Visitors

China (Property Division)

Policies and Practices

In Metro Shanghai, the Facility Management (“FM”) team maintains oversight on safety and health of tenants, consumers and visitors. Our risk management framework ensures proper identification and control of risks. In emergencies such as power outages, fires, acts of terrorism, outbreak of diseases or natural disasters, we have a comprehensive response plan. It details measures and actions to be undertaken to minimise injury and damage to our properties. Our newly replaced lift systems and upgraded escalators have significantly lowered malfunctions and incidents. This has greatly improved our compliance with safety regulations, creating a safer environment for all tenants, consumers and visitors at Metro City.

At GIE Tower, CBRE also has a similar set of SOPs in place which manages health and safety of all stakeholders. Their client service team handles feedback raised from tenants and customers. Various practices and initiatives listed below are carried out on an ongoing basis across our properties.

Figure 18: Managing Customer Health and Safety in Property

Annual exercises and drills on emergencies conducted with tenants, consumers and visitors	Daily inspections and patrol on premises	Visitor registration upon entering Metro Tower and GIE Tower
Security personnel are adequately trained to handle various security incidents	Routine disinfection and cleaning of premises to prevent infestations and odours	Posters and e-bulletin within properties to raise awareness on health and safety

Performance and Targets

Material Aspect	Performance for FY2019		Perpetual Target
Health and Safety of Stakeholders	Achieved		Zero incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services

Our Property Division in China aims to upkeep this performance in the future.

Singapore (Corporate and Retail Division)

Policies and Practices

We aim to provide a safe, secure and healthy environment for all our shoppers and visitors. At our retail stores, health and safety risks are continually assessed as stipulated by our Retail WSH Policy. Managers and supervisors conduct daily floor walks to identify, evaluate and record potential risks. We have also engaged a part-time Safety Officer to conduct WSH talks across our three stores and Corporate office. Topics covered range from fire safety, safe use of a ladder/working at heights, proper posture for lifting heavy objects to dealing with terrorist/bomb threats and fire safety.

Feedback relating to premises’ health and safety will be directed to respective branch managers and the WSH Committee. We target to resolve all complaints within three working days. Regular WSH meetings are held to review findings from daily inspections and handle complaints. Real cases will be used as examples to teach and inform employees.

Performance and Targets

Material Aspect	Performance for FY2019		Perpetual Target
Health and Safety of Stakeholders	Achieved		Zero incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services

We strive to maintain this track record going forward.

4.0 ENVIRONMENT

4.1 Energy Usage and Associated Greenhouse Gas (“GHG”) Emissions

With growing concern of climate change, it is imperative for resource conservation efforts to be embedded within our operations. While majority of energy consumption across Retail and Property comes from our tenants, shoppers and the public, we ensure that energy is used efficiently and usage monitored regularly to manage our carbon footprint.

China (Property Division)

Policies and Practices

We ensure that properties in China comply with all applicable environmental standards. In Shanghai, Metro City has been identified as a key building for energy usage¹⁵. Since FY2018, Shanghai Metro City has committed to the Xuhui District Energy Conservation Target (“XDECT”). It guides the adoption of specific environmental targets and training. This year, a more stringent total energy consumption target of 3,200 tonnes of standard coal equivalent¹⁶ (“TCE”) per building per annum was introduced.

At GIE Tower, energy consumption is monitored by the Operations Team and reported to CBRE’s head office on an annual basis. While there are no provincial targets, CBRE ensures that the property complies with all applicable environmental rules and legislations. Measures such as automatic lights and air-conditioning have been introduced to conserve energy during off peak periods. CBRE has upgraded the central air-conditioning systems and switched to energy-efficient lighting where applicable to effectively lower energy consumption and GHG emissions.

Performance and Targets

Material Aspect	Target for FY2019	Performance for FY2019	Target for FY2020	
Energy Consumption	Maintain total energy consumption for Shanghai Metro City below 3,200 TCE (93,760 gigajoules “GJ”) limit	Shanghai Metro City consumed 2,836 TCE (83,104 GJ)		Maintain total energy consumption to be below 3,100 TCE (90,830 GJ)
	Annual reporting to CBRE Head Office for GIE Tower	Achieved		Annual reporting to CBRE Head Office for GIE Tower

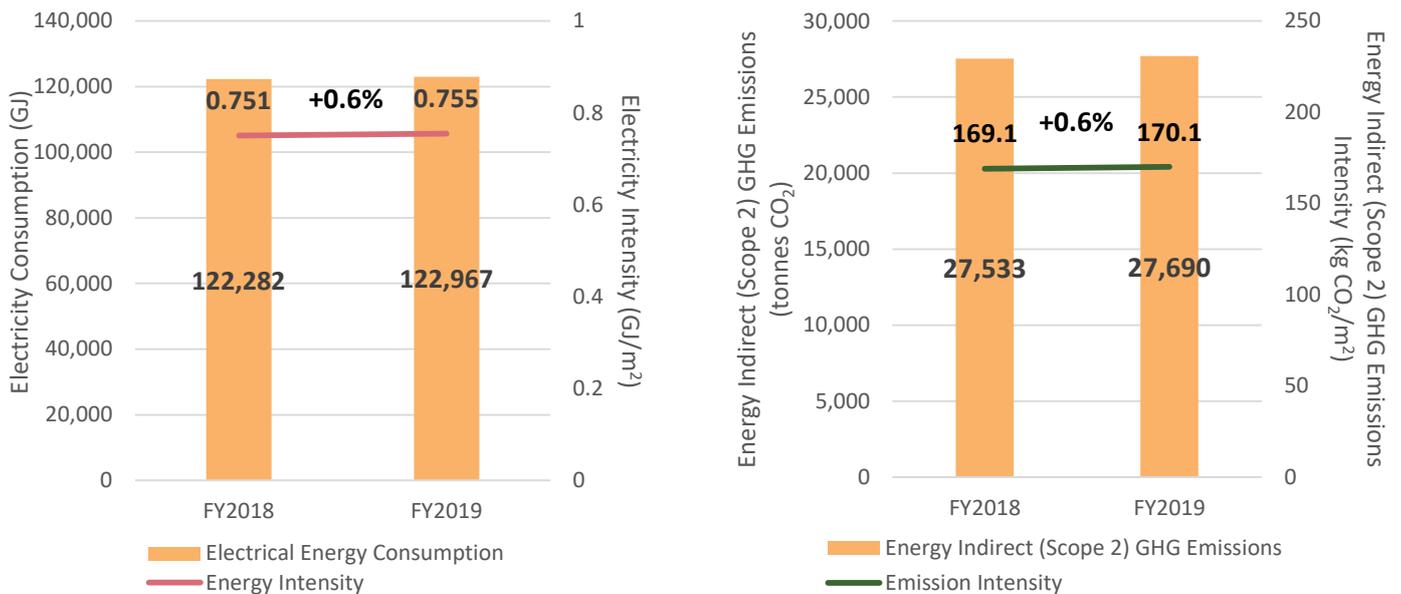
¹⁵ Shanghai Metro Tower has been classified as a low energy consumption building as total energy consumption does not exceed 1000 TCE (29,308 GJ). It is excluded from the XDECT. Energy consumption for FY2019 is 701 TCE (20,530 GJ).

¹⁶ TCE is a unit representing energy generated by burning one metric ton of coal which is equivalent to 29.3 GJ or 8.1 MWh. Conversion was done at <https://www.convert-me.com/en/convert/energy/tce.html?u=tce&v=1>

Electricity purchased from the grid is our main source of energy. At GIE Tower, electricity is the only source of energy. In FY2019, total electricity and fuel usage for China amounted to 126,792 GJ. Across the years, we have maintained electricity consumption and intensities (Figure 19). This trend was also observed in GHG emissions and intensity.

Year	Fuel Consumption (GJ)	Purchased Electricity (GJ)	Total Energy Consumption in China (GJ)
FY2018	3,420	122,282	125,702
FY2019	3,825	122,967	126,792

Figure 19: Electricity Consumption & intensity and Energy Indirect (Scope 2) GHG Emissions¹⁷ & intensity for Property¹⁸



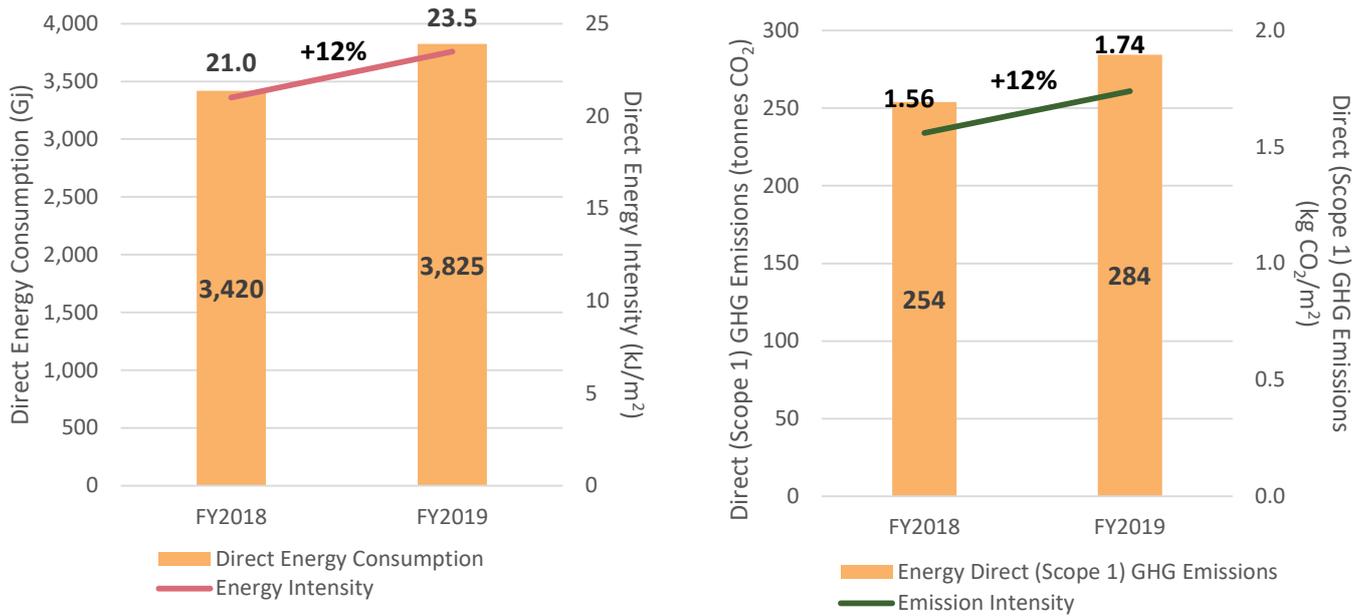
Apart from electricity, diesel oil was used to power boilers to supply hot water to the Heating, Ventilation and Air-Conditioning (“HVAC”) system in Metro Tower, Shanghai. In FY2019, we saw a significant increase from 3,420 to 3,825 GJ in diesel oil used (Figure 20) due to extreme cold weather faced in winter¹⁹. A corresponding increase is also recorded in Scope 1 GHG emissions and emission intensity.

¹⁷ The latest emission factors for China were obtained from 2017 National Grid Emission Factors published by Ministry of Ecology and Environment of the People's Republic of China. Global warming potential (“GWP”) were derived from 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories.

¹⁸ FY2018 energy and GHG emission statistics were restated for accuracy.

¹⁹ Source: Beijing endures one of the coldest December days on record; Snow flies in Shanghai, AccuWeather <https://www.accuweather.com/en/weather-news/beijing-endures-one-of-coldest-december-days-on-record-snow-flies-in-shanghai/70006806>

Figure 20: Fuel Consumption & Intensity and Direct (Scope 1) GHG Emissions²⁰ & Intensity for Property



Singapore (Corporate and Retail Division)

Policies and Practices

Within Corporate and Retail Divisions, we have limited control on energy management as we are located within rented properties. While we do not have a formalised policy on energy, we do ensure that energy is used efficiently and employees are also reminded to conserve resources and adopt eco-friendly habits. Purchased electricity from the grid is our main and sole source of energy. No fuel is consumed for our operations.

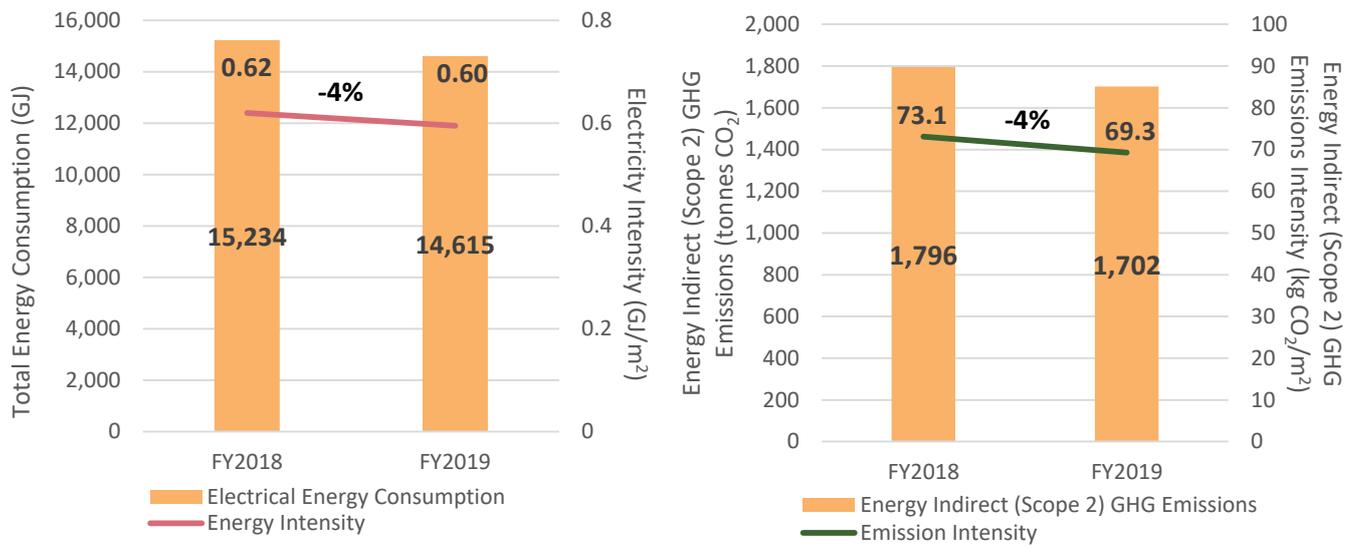
Performance and Targets

Material Aspect	Target for FY2019	Performance for FY2019	Target for FY2020
Energy Consumption	Reducing energy usage by adopting energy saving initiatives where possible	4% decrease in electricity consumption 	Aim to maintain/reduce electricity consumption by considering the use of energy-saving options in future refurbishment works such as energy saving LED bulbs

This year we recorded a 4% year-on-year decrease in electricity consumed to 4,060 MWh of purchased electricity (translating to 14,615 GJ). This downward trend has been observed which we aim to maintain.

²⁰ GHG emission factors and GWP were derived from the 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories.

Figure 21: Total Energy Consumption & Intensity and Energy Indirect (Scope 2) GHG Emissions & Intensity in Singapore for Retail²¹



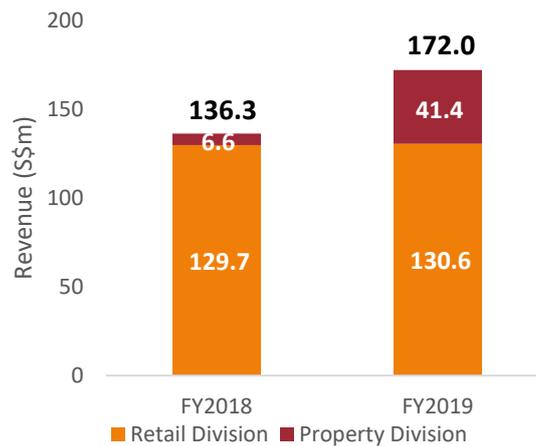
²¹ Emission factors used in calculation of carbon emissions for Singapore are derived from “2018 Singapore Energy Statistics”, published by the Energy Market Authority of Singapore in 2018.

5.0 SUSTAINABLE GROWTH

5.1 Economic Performance

As a property investment and development group backed by an established retail track record, we strive to extend our footprint and grow our presence globally. Metro registered a 26.1% increase in total revenue in FY2019. While 76% of revenue in FY2019 is contributed by Retail, the majority of our profits are generated through our property joint ventures and associates.

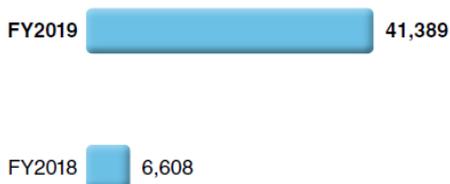
Figure 22: Revenue from Retail and Property Division



As we maintain our balanced portfolio of investment and development assets, we explore regional countries for diversification. The Group leverages on strategic alliances with existing and new partners to broaden our asset base and geographical spread.

Property Investment and Development

PROPERTY REVENUE (S\$'000)



Supported by revenue recognition of S\$34.5 million from the sale of property rights of the residential units in the development in Bekasi, Jakarta, revenue from the Property division increased to S\$41.4 million in FY2019 from S\$6.6 million reported a year ago. This excludes Metro City and Metro Tower, our 60%-owned joint ventures in Shanghai, in which equity accounting is being adopted.

Retail

Metro's retail topline improved marginally by 0.7% to S\$130.6 million in FY2019 from S\$129.7 million in FY2018 due to higher sales from Singapore arising from increased sales promotions, amidst margin pressures from higher costs within a highly-competitive trading environment. Retail continues to operate in a challenging, competitive trading environment, coupled with high operating costs. Retail will focus on business transformation with a strong emphasis on multi-media strategy, deployment of technology, development of fresh concepts, and improve assortment of merchandise to enhance customers' shopping experience. Metro will capitalise on retail brand name and tap on Indonesia's burgeoning middle-class by prudently identifying new sites and refreshing existing stores, including Metro Trans Studio Mall

RETAIL REVENUE (S\$'000)



Cibubur which has opened in 1QFY2020. Metro Retail will also consolidate operational efforts to achieve higher efficiency and productivity.

Bringing in many more payment platforms

Since the introduction of Alipay last year, we have brought several other payment platforms to our retail stores that provide quick and seamless transactions. They include GrabPay, Dash and WeChat.



Profit Before Tax

PROFIT BEFORE TAX (S\$'000)



The Group recorded net profit before tax (“PBT”) of S\$107.0 million in FY2019, as compared to S\$170.7 million in FY2018 that includes the Group’s share of a one-off gain (net of tax) of S\$164.5 million from a very substantial disposal of eight property projects by its Hong Kong-listed associate, Top Spring, and a divestment gain of S\$15.8 million from the disposal of the Group’s 30% equity interest in its associate in Nanchang. This was mitigated by contributions driven by fair value gain on revaluation of investment properties held directly by the Group mainly GIE Tower, Guangzhou, of S\$14.7 million and increase in fair value gains of S\$26.4 million through joint ventures comprising Metro Tower and Metro City in Shanghai, and 5 Chancery Lane, UK, coupled with contributions from the two ongoing residential projects mainly The Crest in Singapore and the residential development project in Bekasi, Jakarta.

For more information on our financial performance, please refer to Metro Annual Report 2019.

5.2 Corporate Governance

Policies and Practices

Corporate governance and strong business ethics provide the foundation necessary for success and growth of every organisation. We align ourselves to the industry's best practices and strive to meet and exceed stakeholders' expectations. As part of our overall corporate governance framework, a suite of policies has been formulated which guides us on responsible business conduct. Information on our Corporate Governance can be found on pages 45 to 56 of Metro Annual Report 2019.

We maintain the highest standards of fairness, integrity and accountability. Employees are informed of their expected conduct during onboarding and are required to acknowledge our Management Integrity Statement. They are also encouraged to raise any complaints regarding questionable accounting, audit matters, internal controls, unsafe work practices or any other matters involving serious breaches of Group policy, corruption and employee misconduct through our whistle-blowing policy. In our Retail Division, we have implemented a Lost Control Incentive Mechanism, which provides cash incentives to staff and security personnel for reporting cases of internal theft.

Our set of policies are summarised in Figure 23 below.

Figure 23: Metro's Policies and Practices

Policy	Description
Management Integrity Statement	This policy provides a guide on integrity at the workplace, covering topics such as conflicts of interest, especially for persons in a position of major responsibility ²² , so as to avoid situations of unintentional infringement of this policy. Management associates comprising of managers and executives are required to read and acknowledge his / her understanding of conducts set forth herein; and acknowledgements are kept in their respective personnel files.
Whistle-Blowing Policy	This policy which is put in place by the Audit Committee allows staff and external parties to raise concerns about any possible improprieties in the organisations anonymously so that they will be protected from reprisals or victimisation. Arrangements are also put in place for independent investigations on cases to be conducted and for appropriate follow up actions to be taken.
Loss Control Incentive (Applicable to Retail Division only)	This policy provides cash incentives to staff and security personnel for reporting cases of internal theft.

Performance and Targets

Material Aspect	Perpetual Target	Performance for FY2019
Anti-corruption	Zero-tolerance approach towards corruption	Zero reported cases through Whistle-blowing Policy 
Regulatory Compliance	Zero-tolerance approach towards non-compliance in socio-economic and environmental areas	Zero cases of non-compliance in socio-economic and environmental area 

In our Retail Division, there were no reported cases under our Lost Control Incentive mechanism. We continue to emphasise on honesty and integrity to all employees during sharing sessions at our morning briefing to maintain our track record.

²² For Corporate, persons in position of major responsibility refers to managerial level and above. For Retail Division, it is applicable to supervisory level and above.

6.0 GRI CONTENT INDEX

GRI Standard Disclosure Reference	Disclosure	Section of Report / Reasons for Omission	Page Reference
GRI 102: General Disclosures 2016			
Organisational Profile			
102-1	Name of the organisation	About Us	1
102-2	Activities, brands, products, and services	About Us	1
102-3	Location of headquarters	About Us	1
102-4	Location of operations	About Us	1-2
102-5	Ownership and legal form	About Us	1
102-6	Markets served	About Us	1-2
102-7	Scale of the organisation	About Us; Profile of Our Workforce; Economic Performance	1-2 9-11 29-30
102-8	Information on employees and other workers	Profile of Our Workforce	9-11
102-9	Supply chain	Our Supply Chain	14
102-10	Significant changes to the organisation and its supply chain	No changes in FY2019	
102-11	Precautionary Principle or Approach	Annual Report 2019	52-55
102-12	External Initiatives	Not applicable to Metro	
102-13	Membership of Associations	<p>Key Memberships of our Retail Division in Singapore includes: Singapore Retailers Association, Singapore National Employer Federation, Singapore Business Federation, Global Compact Network Singapore, National Retail Federation, Human Capital Partnership and Orchard Road Business Association</p> <p>Under China (Property Division), we are a member of the Shanghai Association for Quality Association.</p>	
Strategy			
102-14	Statement from senior decision-maker	Board Statement	4
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behaviour	Corporate Governance	31
102-17	Mechanisms for advice and concerns about ethics	Corporate Governance	31
Governance			
102-18	Governance structure	Sustainability Governance; Annual Report 2019	8 46-47
102-22	Composition of the highest governance body and its committees	Annual Report 2019	15-21, 46-47
102-23	Chair of the highest governance body	Annual Report 2019	47

GRI Standard Disclosure Reference	Disclosure	Section of Report / Reasons for Omission	Page Reference
102-24	Nominating and selecting the highest governance body	Annual Report 2019	47-49
102-25	Conflicts of interest	Annual Report 2019	46-47
102-26	Role of Highest Governance Body in Setting Purpose, Values and Strategy	Board Statement; Sustainability Governance; Corporate Governance; Annual Report 2019	4 8 31 45
102-27	Collective knowledge of Highest Governance Body	Annual Report 2019	45
102-28	Evaluating the Highest Governance Body	Annual Report 2019	47-49
102-29	Identifying and Managing Sustainability Impacts	Board Statement	4
102-30	Effectiveness of Risk Management Processes	Annual Report 2019	52-55
102-32	Highest governance body's role in sustainability reporting	Board Statement; Sustainability Governance	4 8
102-35	Remuneration Policies	Annual Report 2019	50-52
102-36	Process for Determining Remuneration	Annual Report 2019	50-52
Stakeholder Engagement			
102-40	List of stakeholder groups	Stakeholder Engagement	5-6
102-41	Collective bargaining agreements	<u>Singapore (Corporate and Retail Division)</u> 31% of employees in Singapore are covered under collective bargaining agreements. <u>China (Property Division)</u> 100% of employees in China are covered under collective bargaining agreements.	
102-42	Identifying and selecting stakeholders	Stakeholder Engagement	5-6
102-43	Approach to stakeholder engagement	Stakeholder Engagement	5-6
102-44	Key topics and concerns raised	Stakeholder Engagement	5-6
Reporting Practice			
102-45	Entities included in the consolidated financial statements	Annual Report 2019	141-148
102-46	Defining report content and topic Boundaries	About the Report	3
102-47	List of material topics	Materiality Assessment	7-8
102-48	Restatements of information	Energy Usage and Associated GHG Emissions	25-28
102-49	Changes in reporting	Not applicable	
102-50	Reporting period	1 April 2018 – 31 March 2019	
102-51	Date of most recent report	Sustainability Report 2018	
102-52	Reporting cycle	Annual	
102-53	Contact point for questions regarding the report	About the Report	3
102-54	Claims of reporting in	About the Report	3

GRI Standard Disclosure Reference	Disclosure	Section of Report / Reasons for Omission	Page Reference
	accordance with the GRI Standards		
102-55	GRI content index	GRI Content Index	32-35
102-56	External assurance	About the Report	3

Material Matters			
GRI Standard Disclosure Reference	Disclosure	Section of Report	Page Reference
Economic Performance			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Materiality Assessment
	103-2	The management approach and its components	Economic Performance
	103-3	Evaluation of the management approach	Economic Performance
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Annual Report 2019
Energy Usage and Associated GHG Emissions			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Materiality Assessment
	103-2	The management approach and its components	Energy Usage and Associated GHG Emissions
	103-3	Evaluation of the management approach	Energy Usage and Associated GHG Emissions
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Energy Usage and Associated GHG Emissions
	302-3	Energy intensity	Energy Usage and Associated GHG Emissions
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG Emissions	Energy Usage and Associated GHG Emissions
	305-2	Energy indirect (Scope 2) GHG emissions	Energy Usage and Associated GHG Emissions
	305-4	GHG emissions intensity	Energy Usage and Associated GHG Emissions
Health and Safety of Our Stakeholders			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Materiality Assessment
	103-2	The management approach and its components	Health and Safety of Our Stakeholders
	103-3	Evaluation of the management approach	Health and Safety of Our Stakeholders
GRI 403: Occupational Health and Safety 2016	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Health and Safety of Our Stakeholders
GRI 416: Customer	416-2	Incidents of non-	Health and Safety of Our

Material Matters				
GRI Standard Disclosure Reference		Disclosure	Section of Report	Page Reference
Health and Safety 2016		compliance concerning the health and safety impacts of products and services	Stakeholders	
Customer Satisfaction				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Materiality Assessment	7-8
	103-2	The management approach and its components	Customer Satisfaction	15-19
	103-3	Evaluation of the management approach	Customer Satisfaction	15-19
Talent Management and Development				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Materiality Assessment	7-8
	103-2	The management approach and its components	Talent Management and Development	11-14
	103-3	Evaluation of the management approach	Talent Management and Development	11-14
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Talent Management and Development	11-14
	404-3	Percentage of employees receiving regular performance and career development reviews	Talent Management and Development	11-14
Corporate Governance				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Materiality Assessment	7-8
	103-2	The management approach and its components	Corporate Governance	31
	103-3	Evaluation of the management approach	Corporate Governance	31
GRI 205: Anti-Corruption 2016	205-3	Confirmed incidents of corruption and actions taken	Corporate Governance	31
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	Corporate Governance	31
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	Corporate Governance	31