

## **10. CapitaLand Mall Trust's focus on sustainable retail operations**

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CapitaLand Mall Trust (CMT) is one of the largest retail real estate investment trusts (REITs) in Singapore. The company has a strong focus on sustainability and has implemented several initiatives to improve its sustainable retail operations. Here are some of the challenges CMT faced and how they succeeded:

**Retrofitting existing properties:** One of the main challenges CapitaLand Mall Trust (CMT) faced was retrofitting existing properties to make them more sustainable. Retrofitting refers to the process of improving the environmental performance of existing buildings by upgrading their systems and equipment (Chua et al., 2013). According to its sustainability report, CMT achieved a 19.1% reduction in energy intensity and a 22.9% reduction in water intensity across its portfolio from 2008 to 2019 (CapitaLand Integrated Commercial Trust, 2020). CMT also secured its first sustainability-linked loan of S\$200 million from United Overseas Bank Limited in 2020, which incentivises CMT to achieve certain sustainability performance targets (CapitaLand Mall Trust, 2020).

**Educating tenants and shoppers:** CMT recognized that it was important to educate tenants and shoppers about sustainability and the impact of their actions. Education for sustainability (EfS) is a process of learning that enables people to develop the knowledge, skills, values, and attitudes needed to contribute to a more sustainable world (UNESCO, 2014). The company launched several campaigns to encourage sustainable behaviour, including recycling programs, energy-saving initiatives, and awareness campaigns. CMT also collaborated with the Singapore Environment Council to organize the Eco-Shop Challenge, which challenges shoppers to reduce their environmental footprint by choosing eco-friendly products and services (CapitaLand Mall Trust, 2019).

**Balancing sustainability with profitability:** CMT wanted to be sustainable and profitable. It knew that being green could cost more at first but save money and attract customers later. Elkington (1994) said businesses should care about profit, people, and the planet. CMT helped its tenants cut costs and stay green. For example, it gave them rebates for using less electricity (CapitaLand Integrated Commercial Trust, 2020). It also got a loan that rewarded it for meeting sustainability goals (CapitaLand Mall Trust, 2020).

**Adapting to changing market conditions:** CMT had to keep up with the changing market conditions. Customers wanted different things, so CMT had to be flexible and quick to change. This meant using technology to make shopping better, such as mobile apps and online platforms, to keep up with the competition. Grewal et al. (2020) said technology can make customers happier by giving them convenience, personalization, interactivity, and social connection. CMT used technology to give customers more choices, such as picking up or delivering their orders, to suit their different needs and preferences (CapitaLand Integrated Commercial Trust, 2020). CMT also added new features such as contactless payment, virtual fitting rooms, and interactive digital screens to make shopping smooth and fun (CapitaLand Mall Trust, 2019).

Overall, CMT's focus on sustainable retail operations has helped the company differentiate itself from competitors and appeal to customers who value sustainability. Through its

sustainability initiatives, CMT has also been able to reduce operating costs and increase tenant satisfaction, which has contributed to the company's success.

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