

News Release

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CDL AND DBS SET BENCHMARK ON INNOVATION-FOCUSED FINANCING FOR SUSTAINABLE DEVELOPMENT

- **CDL pioneers first-of-its-kind green financing concept to accelerate innovative solutions that promote the United Nations (UN) Sustainable Development Goals (SDGs)**
- **Secures S\$250 million SDG Innovation Loan from DBS**

City Developments Limited (CDL) has secured a S\$250 million SDG Innovation Loan, in the form of a three-year revolving credit facility provided by DBS Bank Ltd. (DBS). This is a first-of-its-kind concept that CDL has pioneered for a sustainability-linked loan to accelerate innovative solutions that have a positive impact on SDGs.

The SDG Innovation Loan will be used for CDL's general working capital and corporate funding. The company will be eligible for a discount on the interest rate of the loan when it achieves sustainability-related performance targets mutually agreed with DBS on innovations¹ that contribute positively to the SDGs. To qualify, CDL is required to be the first in Singapore to adopt and apply such innovations to its projects. An authoritative expert or expert panel² will be appointed to independently assess and endorse the innovative nature of CDL's proposal against market norms. In addition, CDL must remain listed on at least one leading global sustainability index.

CDL's SDG Innovation Loan supports SDG 9: Industry, Innovation and Infrastructure, SDG 11: Sustainable Cities and Communities and SDG 13: Climate Action. It complements global sustainability trends and answers the Singapore government's call for climate action, smart cities, green innovation as well as sustainable development and financing. In his 2019 National Day Rally speech³, Prime Minister Lee Hsien Loong highlighted climate change as one of the gravest challenges facing humankind and the need to understand, mitigate and adapt to climate change. For the private sector specifically, Minister for National Development and Second Minister for Finance Lawrence Wong, speaking at the 5th Urban Sustainability R&D Congress⁴ on 23 July 2019, encouraged the adoption of technology and innovation to create positive impact and build a better city.

In 2015, a total of 17 SDGs⁵ were adopted by UN Member States including Singapore as part of the 2030 Agenda for Sustainable Development to mobilise efforts to tackle issues such as poverty, inequality and climate change.

Having integrated environmental, social and governance (ESG) practices into its business for over two decades, CDL adopts green finance as a natural progression of its long-standing commitment to sustainable development and low carbon operations. In 2017, CDL issued the first green bond by a listed Singapore real estate company. The green bond raised S\$100 million which was used to repay a related company loan that financed various initiatives to enhance energy and water efficiency at Republic Plaza, CDL's flagship Grade A office building in the heart of Singapore's

¹ For example, these may include new ideas or processes to create better solutions for achieving sustainability targets, such as improved energy efficiency or reduced carbon emissions etc. The objective is to accelerate innovative solutions that positively impact the SDGs.

² Examples include experts from National University of Singapore's School of Design & Environment and the Building and Construction Authority of Singapore.

³ <https://www.pmo.gov.sg/Newsroom/National-Day-Rally-2019>

⁴ <https://www.mnd.gov.sg/newsroom/speeches/view/opening-address-by-minister-lawrence-wong-at-the-5th-urban-sustainability-r-d-congress>

⁵ <https://sustainabledevelopment.un.org/?menu=1300>

Central Business District. In April 2019, CDL secured its first green loans amounting to S\$500 million, marking the first time that green loans in Singapore would be used for new property developments.

Mr Sherman Kwek, Group Chief Executive Officer of CDL, said, “Green financing offers an alternative financing avenue and plays a pivotal role in channelling capital towards building greener and more climate-friendly infrastructure. CDL’s green bond and green loans have enabled us to tap like-minded banks and partners that are supportive of our sustainability best practices while establishing a closer alignment of our ESG commitments with socially responsible investors. Innovation will play an increasingly key role in accelerating solutions for sustainable development. Our SDG Innovation Loan will enable us to test bed fresh innovations that will exponentially enhance the way we build as well as raise the quality and performance of our buildings.”

DBS has been at the forefront of sustainable finance in Asia. Over the past two years, it has provided around S\$6.9 billion in sustainable financing to customers who want to go the extra mile to adopt more resource-efficient operations and towards green industries such as green real estate development and renewable energy. This amount includes green loans, ESG-linked loans and renewable projects financing. DBS was the sole bookrunner for CDL’s green bond in 2017. In addition, DBS provided a S\$400 million green loan to CDL in April 2019 and was the Advisor for the loan.

Mr Chew Chong Lim, Managing Director & Global Head of Real Estate, Institutional Banking, DBS Bank, said, “DBS is privileged to have supported a leading global real estate company like CDL since the start of their sustainable financing journey through issuing green bonds and green loans. This latest SDG Innovation Loan is an extension of our commitment to not only provide financial solutions that meet the changing demands of businesses but to advance SDGs to generate long-term value. We believe that partnerships like these can strengthen collective efforts to address increasingly complex sustainability challenges in new and different ways.”

Ar Tai Lee Siang, Executive Director, BuildSG, Building and Construction Authority, said, “Transformation in Built Environment sector requires the effort of every individual, as well as leadership from across the value chain to motivate and drive change. The green financing initiative is a commendable effort given the increasing need to build more environmentally friendly buildings and infrastructure to mitigate the impact of climate change. We hope to see more of such collaborations between the financial institutions and built environment firms, to help spur the development of advanced and innovative solutions for green buildings.”

Mr Nicholas Gandolfo, Associate Director of Client Relations, Sustainalytics, said, “The number of sustainable bonds and loans has increased significantly over the last few years, which has led to the rapid expansion of the sustainable finance market globally. CDL has played a meaningful role in growing the market through its green bonds and loans, and we are excited to see the company bring to market an SDG Innovation Loan that supports several of the United Nations Sustainable Development Goals.”

Sustainalytics is a leading external reviewer in sustainable finance and was the second party opinion provider for CDL’s green bond and green loans.

As part of its sustainability blueprint CDL Future Value 2030, CDL has committed to achieve an average of two innovations or new technology adoptions per year by 2030.

Over the years, CDL championed innovation for its various developments. In the early 2000s, CDL pioneered the use of Prefabricated Bathroom Units (PBUs) which improved construction productivity by up to 80% and reduced construction waste while enhancing water tightness of the bathrooms. Since 2014, PBUs have been mandatory for all non-landed residential Government Land Sales sites.

CDL also pioneered the use of drywalls as they provide better quality finishes and are easier to install, improving productivity over the conventional brickwall system. Today, drywalls are a norm for the industry.

As an early adopter of prefabrication technology, CDL was the first in Singapore to adopt the advanced Prefabricated Prefinished Volumetric Construction (PPVC) technology to build the CDL Green Gallery at the Singapore Botanic Gardens in 2013. The entire Gallery was assembled in less than 24 hours using PPVC. Following its successful PPVC application for the CDL Green Gallery, CDL became the first developer in Asia to adopt the concrete PPVC method for a large-scale residential development, The Brownstone Executive Condominium (EC) in Sembawang, in 2014. This enabled CDL to achieve over 40% increase in construction productivity compared with conventional construction methods as well as enhanced on-site safety and waste reduction (see Annex A for more information). The use of PPVC is now an industry benchmark for construction productivity.

About City Developments Limited

City Developments Limited (CDL) is a leading global real estate operating company with a network spanning 103 locations in 29 countries and regions. Listed on the Singapore Exchange, the Group is one of the largest companies by market capitalisation. Its income-stable and geographically-diverse portfolio comprises residences, offices, hotels, serviced apartments, integrated developments and shopping malls.

With over 55 years of experience in real estate development, investment and management, CDL has developed over 43,000 homes and owns over 18 million square feet of lettable floor area globally.

For its steadfast sustainability efforts and performance, CDL is consistently listed on 12 leading global sustainability benchmarks including FTSE4Good Index Series (since 2002), MSCI ESG Leaders Indexes (since 2009), Global 100 Most Sustainable Corporations in the World (since 2010) and Dow Jones Sustainability Indices (since 2011).

For more information on CDL, please visit www.cdl.com.sg.

For more information on CDL's sustainability efforts, please visit www.cdlsustainability.com.

About DBS

DBS is a leading financial services group in Asia with a presence in 18 markets. Headquartered and listed in Singapore, DBS is in the three key Asian axes of growth: Greater China, Southeast Asia and South Asia. The bank's "AA-" and "Aa1" credit ratings are among the highest in the world.

Recognised for its global leadership, DBS has been named "[World's Best Bank](#)" by Euromoney, "[Global Bank of the Year](#)" by The Banker and "[Best Bank in the World](#)" by Global Finance. The bank is at the forefront of leveraging digital technology to shape the future of banking, having been named "[World's Best Digital Bank](#)" by Euromoney. In addition, DBS has been accorded the "[Safest Bank in Asia](#)" award by Global Finance for ten consecutive years from 2009 to 2018.

DBS provides a full range of services in consumer, SME and corporate banking. As a bank born and bred in Asia, DBS understands the intricacies of doing business in the region's most dynamic markets. DBS is committed to building lasting relationships with customers, and positively impacting communities through supporting social enterprises, as it banks the Asian way. It has also established a SGD 50 million foundation to strengthen its corporate social responsibility efforts in Singapore and across Asia.

With its extensive network of operations in Asia and emphasis on engaging and empowering its staff, DBS presents exciting career opportunities. The bank acknowledges the passion, commitment and can-do spirit in all of our 27,000 staff, representing over 40 nationalities. For more information, please visit www.dbs.com.

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Annex A

CDL's PPVC Application for The Brownstone EC



CDL's application of the groundbreaking PPVC advanced technology for The Brownstone EC (completed in 2017) was likely the world's largest and first-of-its-kind application of full concrete PPVC for a large-scale private residential development.

In PPVC, building modules complete with finishes, fixtures and fittings are manufactured off-site in factories before being transported to the site for installation in a 'Lego-like' manner.

Key facts of The Brownstone EC

- Site area: Approximately 28,562.5 square metres / 307,447 square feet
- Development layout: Eight 10- to 12-storey blocks
- Number of apartments: 638
- Configuration: Two- to four-bedroom units and five-bedroom penthouse units

Key benefits of PPVC

- Productivity increase of over 40%
- Stringent quality control as modules are fabricated in controlled factory conditions
- Enhanced worksite safety as fewer workers are required on-site
- Improved worksite cleanliness as less construction debris is generated