



**CHANGING
THE
LANDSCAPE**



CITY DEVELOPMENTS LIMITED
Sustainability Report 2013

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CONSTRUCT



CONSERVE



CREATE



Our long-standing commitment to creating a sustainable future has led City Developments Limited (CDL) to new areas of growth, inspiring us to innovate and improve.

Change is our business as well as our purpose. We shape our city's skyline, along with the hearts and minds of our people. Constructing as we conserve the ecosystems in which we live has opened new avenues for us to create fresh breakthroughs for our industry and the built environment, with increased environmental stewardship.

CDL's goal is not only to build, but to transform.

IN EACH REPORTING CYCLE, THE CDL CSR COMMITTEE REVIEWS THE CONTENT OF THE REPORT TO DETERMINE ITS RELEVANCE TO OUR BUSINESS AS WELL AS TO ENSURE THAT CURRENT AND EMERGING MATERIAL ISSUES OF SIGNIFICANCE PERTAINING TO SUSTAINABILITY AND THE INTERESTS OF OUR STAKEHOLDERS ARE ADDRESSED.

ABOUT THIS REPORT

This is CDL's sixth Sustainability Report. It replaces CDL's 2012 Sustainability Report as the company's latest annual publication dedicated to providing financial, social and environmental information and data on Corporate Social Responsibility (CSR) activities and performance pertinent to CDL's business in 2012.

This report contains a full year's data from 1 January to 31 December 2012 and covers CDL's Singapore operations. It focuses on our principle business as a property developer comprising operational functions such as project development, property and facilities management of both residential as well as commercial developments in Singapore. It also includes some illustrative case studies and business activities from 2012. This report is presented in Singapore dollars, which is the Company's functional currency.

Millennium & Copthorne Hotels plc (M&C), of which CDL has a 55% interest in, has its own Board of Directors that oversees its policies and operations. M&C reports on their CSR activities in their Annual Report which is available online at www.millenniumhotels.com. It comprises CSR issues pertinent to their business including Responsible Hospitality, Responsibility to Employees, Responsibility to the Environment and Responsibility to the Community.

CDL is voluntarily disclosing this information as the Company believes in upholding the principles of corporate transparency, disclosure and communication with our stakeholders. For additional information on CDL's CSR initiatives and further resources, please refer to our website www.cdl.com.sg.

REPORT CONTENT

In each reporting cycle, the CDL CSR Committee reviews the content of the report to determine its relevance to our business as well as to ensure that current and emerging material issues of significance pertaining to sustainability and the interests of our stakeholders are addressed. Besides the Board, various Board Committees and the CSR Committee that determine material issues of the Company, operationally, the Company also has various other existing management systems such as ISO 14001 Environmental Management System and Singapore Quality Class. Through these working groups, relevant targets and key performance indicators are established, tracked and disclosed within this Sustainability Report. CDL's report continues to integrate ISO 26000:2010 Guidance on social responsibility and the Company is pleased to state that it has included significant information in the areas of the environment, human rights, labour practices, product responsibility and society.

REPORTING BOUNDARIES AND STANDARDS

The Global Reporting Initiative (GRI) Reporting Framework including the GRI Sustainability Reporting Guidelines Version 3.1 and the Construction & Real Estate Sector Supplement have been used to prepare this report. Based on the GRI Application Level Criteria for reporting, the CDL Sustainability Report 2013 is a Level A+ report which has been verified by GRI. CDL has also taken the initiative to integrate ISO 26000 into our CSR strategies which has been included in this report.

CDL continues to support the UN Global Compact and its 10 principles, and we have addressed the areas of human rights, labour, environment and anti-corruption and our progress in these areas. More information about our sustainability reporting including the GRI Content Index and UN Global Compact Index is available online at www.cdl.com.sg/sustainabilityreport2013.

Our carbon footprint is calculated in accordance with the World Business Council for Sustainable Development and World Resources Institute's (WBCSD/WRI) Greenhouse Gas (GHG) Protocol; a Corporate Accounting and Reporting Standard. This protocol is considered current best practice for

corporate or organisational emissions reporting, and we measure our emissions in three 'scopes':

- Scope 1 – direct GHG emissions from sources that are owned such as company owned vehicles.
- Scope 2 – GHG emissions from the generation of purchased electricity.
- Scope 3 – indirect emissions such as our business travel.

We use an operational consolidation approach to determine organisational boundaries. For example, our carbon and energy data includes only the distribution impacts. Data is consolidated from a number of sources, including our project sites and fuel use information, and is analysed centrally. Our baseline year is 2007 and our emissions are independent of any GHG trades.

For this report, there were no significant changes to the measuring methods applied. Increasing the scope of data collection and compiling more comprehensive data on the environmental and social performance of CDL's business operations in Singapore remains a priority to improve the management of our data and to achieve more consistent reporting for accountability.

ASSURANCE

For the fifth year, the CDL Sustainability Report 2013 has been externally assured to validate the accuracy and reliability of the content. The assurance engagement was conducted by Ere-S, a CSR consulting company, and it covered all figures and statements found in the report that are related to sustainability performance. Ere-S reviewed all underlying systems and processes that support the Sustainability Report based on the AA1000 Assurance Standard. The audit report, including the findings, are summarised in the Independent Assurance Statement which can be found on pages 54 to 56.

ACCESSIBILITY

CDL continues to print only limited copies of our report as part of our environmental conservation efforts. Current and previous editions of the reports are available online at www.cdl.com.sg.

FEEDBACK CHANNEL

CDL actively seeks and values the feedback extended by our stakeholders as an important way of improving our CSR practices. If you have any views, comments or feedback, please send them to:

Ms Esther An
Head of CSR

City Developments Limited
9 Raffles Place
#36-00 Republic Plaza
Singapore 048619
Republic of Singapore
✉ csrenquiries@cdl.com.sg

CDL CONTINUES TO SUPPORT THE UN GLOBAL COMPACT AND ITS 10 PRINCIPLES, AND WE HAVE ADDRESSED THE AREAS OF HUMAN RIGHTS, LABOUR, ENVIRONMENT AND ANTI-CORRUPTION AND OUR PROGRESS IN THESE AREAS.



“WE HAVE BEEN COMMITTED TO PERFORMING CREDIBLY IN OUR ENVIRONMENTAL, GOVERNANCE AND SOCIAL ASPECTS WHILE REMAINING PROFITABLE THROUGH BUSINESS EXCELLENCE AND INNOVATION.”

– KWEK LENG JOO, MANAGING DIRECTOR

Dear Stakeholders,

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COL SUSTAINABILITY REPORT 2013

2012 was marked by much unpredictability and challenge. As a global community, the stresses faced have been manifold on all fronts. As key financial markets seemed to be on the road to recovery, new financial storms emerged. As the stock markets rally, corporations and market watchers remained cautious with continued fears of headwinds.

The past year was also a year of extreme weather around the world and countries were tested as they were hit by cold snaps, floods, droughts, typhoons and heat waves – many of unprecedented severity or the worst seen in decades. Lives have been lost, communities destroyed, livelihoods put in jeopardy and prices of essential commodities sent skyrocketing. One consequence is that the weather conditions have helped heighten the need for many world leaders to urgently address climate change.

According to a report commissioned by the World Bank issued in November 2012, without immediate action, global temperatures could rise by 4°C this century with potentially devastating consequences. Finally, there is increasing acceptance that climate change is not just a ‘silo’ environmental issue but is intricately interwoven into our social and economic fabric. Yes, the global financial crisis must be managed but it is also clear that there must be a concerted action by businesses, governments and communities to transform and move towards the development of a green economy.

On the upside, more corporations have started to take climate change seriously. In the Global 500 Climate Change Report for 2012 by the Carbon Disclosure Project, it found 81% of reporting companies identifying physical risks from climate change as a serious issue as compared with 71% the year before.

In Singapore, we are at the cusp of a transformation as more companies are being encouraged to address the importance of sustainability. In May 2012, the Monetary Authority of Singapore issued a revised Code of Corporate Governance to promote a high standard of corporate governance among listed companies in Singapore, with various revisions that relate to CSR issues. More

pertinently, it adds that the Board’s role is to “consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation”⁽¹⁾.

While the regulatory changes are recent, we have been advocating the importance of CSR for business sustainability for over a decade with many unprecedented and bold moves. As a business leader and forerunner, we saw the need for change as early as the mid-1990s. We started to develop and refine strategic business models and standards, create best practices relevant in the local operating content and set our own benchmarks of excellence.

To reinforce our commitment to maintaining and achieving high standards of corporate governance and to continue to build on our industry leadership on CSR, a CSR and Corporate Governance (CG) Committee at the Board Level was established in late 2012. The Committee will have oversight of the Company’s strategies, policies on various aspects of CSR and CG which are significant and contribute to the Company’s performance, business activities, and/or reputation as a global corporate citizen.

The title of our Sustainability Report ‘*Changing the Landscape*’ is apt because we have made an important impact on our landscape, shaping it with 67 Green Mark Projects to

⁽¹⁾ Monetary Authority of Singapore, Code of Corporate Governance, May 2012, Page 2.

our name. Each CDL development continues to be designed sensitively, built sustainably and managed sensibly while remaining financially viable. While we have firmly committed to investing in green buildings and sustainable best practices, we are glad to have maintained good financial performance – CDL posted record revenue of \$3.35 billion for the full year 2012 – the highest revenue since our inception.

Beyond the green hardware, we have helped to influence and change the mindsets of our employees, suppliers, customers and community – the people who live, work and play in our developments.

Today, we no longer journey alone but have become part of a growing community of change-makers advocating sustainability.

In another pioneering move to champion sustainability, CDL became a founding member of the Business Council for Sustainable Development Singapore when it was launched by the World Business Council for Sustainable Development on 6 November 2012. The Council's role is to work with businesses locally to help foster economic development in harmony with environmental preservation and social development. In addition, it advocates the implementation of policy frameworks that help sustainable businesses to thrive.

To further support the cause on a national level, I am glad to assume the position of President of Singapore Compact for CSR, of which CDL is a founding member. I am thankful for the trust and confidence placed on me to contribute to the growth of the CSR movement in Singapore. I hope for a cross-discipline national agency to adopt CSR officially and have an oversight of a strategic and consolidated approach across all CSR disciplines in Singapore. This will allow greater synergy and help drive the CSR agenda more effectively across all businesses and sectors. With an

umbrella body to spearhead efforts in planning and implementing national CSR policies with a more dedicated and strategic approach, businesses will be more encouraged to align their strategies and practices to national priorities.

Looking forward, 2013 is an exciting year for CDL as we celebrate our milestone 50th Anniversary. It has indeed been an illustrious transformation from a small firm with only eight employees operating out of a rented office in Amber Mansions along Orchard Road in 1963.

Our history, experience and continued commitment well illustrate that CDL takes a long-term business view where growth must go hand in hand with the careful nurturing and development of our stakeholders for the benefit of all. We have been committed to performing credibly in our environmental, governance and social aspects while remaining profitable through business excellence and innovation.

Our unwavering commitment to business sustainability has placed both CDL and Singapore on the global map of sustainability, being the first Singapore company recognised on three global sustainability benchmarks – FTSE4Good Index Series since 2002, Global 100 Most Sustainable Corporations in the World since 2010 and the Dow Jones Sustainability Indexes since 2011. Notably, CDL is the only Singapore company listed for four consecutive years on the Global 100 and improved from 62nd position to 52nd position in 2013, making us the highest ranking company from Asia excluding Japan.

While this Sustainability Report marks our second to be successfully-checked by GRI at Level A+ using the GRI G3.1 guidelines with the Construction and Real Estate Sector Supplement, we are also actively assessing the newly released version G4 and its applicability. There has also been growing interest in Integrated Reporting

and while I believe it will be some time before a reliable, sound and credible standard is developed, it is indeed progress for CSR to see more stakeholders being keen to be involved in this discourse and we will certainly be monitoring this development closely.

What started off for CDL as a green spark close to two decades ago has now become embedded as part of our corporate DNA. While we have achieved many milestones in sustainability, we have barely scratched the surface of the matter and are constantly looking to improve. Our success and limitation invigorates and challenges us to press ahead in our CSR conviction.

While we continue to captain CDL's transformation into the Golden Age, the success we have enjoyed would not have been possible without the dedication of our Board of Directors, management team, valued employees as well as our external stakeholders, in particular our investors.

With steadfast support from all stakeholders and the community, CDL management aspires to achieve even greater heights in sustainability the next 50 years ahead.

Kwek Leng Joo
Managing Director

May 2013



SETTING THE STANDARD



As one of Singapore's largest private developers and landlords, we recognise our unique opportunity to help shape the practices of the real estate industry and encourage social responsibility.

Our roles as an industry steward, environmental champion and responsible citizen directs our concerns beyond short-term gains for the Company and look to the long-term well-being of the entire industry.

By being the first to adopt the latest international CSR standards and by pioneering new initiatives in sustainability, CDL forges the way forward and sets new benchmarks for the industry.

What started off for CDL as a green spark close to two decades ago has now become embedded as part of our corporate DNA. Our philosophy towards environmental sustainability is simple – to ‘Conserve as we Construct’.

As we celebrate our 50th Anniversary in 2013, CDL remains committed to the Triple Bottom Line and performing credibly in all financial, social and environmental aspects.

Beyond incorporating green features into our developments, we take a comprehensive life-cycle approach towards sustainability. Our green commitment is applied across our entire operations – from design, construction, procurement, maintenance and community engagement.

CDL AT A GLANCE

AS AT 31 MAY 2013



THE PAST YEAR IN REVIEW

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CDL SUSTAINABILITY REPORT 2013

Q1 (JANUARY – MARCH)

- CDL was ranked as one of the Global 100 Most Sustainable Corporations in the World for the third consecutive year, moving up the list from 100th to 62nd position (52nd as at January 2013).
- Project: Eco-Office, an outreach initiative by CDL and Singapore Environment Council to cultivate eco-consciousness at the workplace, marked its 10th Anniversary.
- The prestigious Green Luminary Award by Channel NewsAsia was accorded to CDL for our leadership in employing green practices in business.
- 'An Enclosure for a Swing' by architect Mr Kelvin Lim Fun Kit, the winning work of the 4th CDL Singapore Sculpture Award in 2009, was unveiled at the official opening of Bishan-Ang Mo Kio Park, which was graced by Prime Minister Lee Hsien Loong.

Q2 (APRIL – JUNE)

- Close to 400 youths participated in the third CDL E-Generation Challenge 2012, an annual national eco-themed race style competition to promote eco-consciousness and sustainable lifestyles.
- CDL received the Distinguished Partner Award for our youth development efforts from the National Youth Achievement Award (NYAA).
- The National Library Board and CDL unveiled plans to develop the World's 1st Green Library for Kids named 'My Tree House'.
- CDL emerged as the most awarded private property developer at the Building and Construction Authority (BCA) Awards 2012. A total of 25 awards were added to CDL's honours roll, bringing our tally to over 60 Green Mark awarded properties.
- CDL was accorded Singapore's BCI Asia Top 10 Developers Award for the second consecutive year, further reaffirming CDL's efforts in shaping and influencing the built environment.
- 11 Tampines Concourse emerged victorious in the Sustainable Development category at the international FIABCI Prix d'Excellence Awards. This is the second consecutive year CDL has bagged the Sustainable Development Category as our 7 & 9 Tampines Grande received the award in 2011.
- CDL successfully obtained Singapore Quality Class recertification in recognition of our commitment to upholding high standards of excellence in our management systems and practices.

Q3 (JULY – SEPTEMBER)

- ◆ CDL's Sustainability Report 2012 was released. CDL was the first Singapore listed company to publish a Level A+ GRI-checked report using the GRI G3.1 guidelines and the Construction and Real Estate Sector Supplement (CRESS).
 - ◆ At the invitation of the National Parks Board, CDL participated in the Singapore Garden Festival 2012 for the fourth time, welcoming visitors to 'Flora Exotica', which featured photographs of rare and unique flowers captured by CDL Managing Director Mr Kwek Leng Joo.
 - ◆ The Distinguished Patron of the Arts Award was presented to CDL for sustained contributions to the promotion and development of the arts.
 - ◆ CDL Managing Director Mr Kwek Leng Joo was named the American Creativity Association's Lifetime Creative Achievement Award recipient for 2012 and became only the second Asian amongst 14 global recipients to win the award since its launch in 1994.
 - ◆ CDL was named the Asia Pacific Green Builder of the Year at the 2012 Frost & Sullivan Asia Pacific Green Excellence Awards.
 - ◆ CDL organised the 4th CDL Singapore Young Photographers Award (SYPA), a nationwide photography competition that aims to discover and nurture young talents. The 4th CDL SYPA 2012 photo exhibition ran from 31 July until 2 September 2012 at the National Museum.
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Q4 (OCTOBER – DECEMBER)

- ◆ At the Securities Investors Association Singapore (SIAS) Investors' Choice Awards 2012, CDL Executive Chairman Mr Kwek Leng Beng and CDL Managing Director Mr Kwek Leng Joo emerged joint winners as 'Partners in the Office of the CEO' in the Brendan Wood International – SIAS TopGun CEO Designation Award. The Award is accorded to CEOs who are best in class rated by shareholders. CDL also received the Singapore Corporate Governance Award 2012 – 2nd Runner-Up (Big Cap) and the Singapore Most Transparent Company Award – Runner-Up (Real Estate Category).
 - ◆ CDL Managing Director Mr Kwek Leng Joo was listed as one of the 100 Global Sustainability Leaders in 2012.
 - ◆ CDL, a first time participant in The British Chamber of Commerce's 13th Annual Business Awards, emerged victorious in the Exceptional Corporate Social Responsibility Practice category.
 - ◆ The 8th CDL 5-Star Environmental, Health and Safety (EHS) Awards were presented to CDL's exemplary builders.
 - ◆ CDL Managing Director Mr Kwek Leng Joo was conferred The Singapore Tatler Leadership Award for the Environment.
 - ◆ In another pioneering move to champion sustainability, CDL became a founding member of the Business Council for Sustainable Development Singapore when it was launched by the World Business Council for Sustainable Development.
 - ◆ CDL won the Best Sustainability Report 2011 from Singapore at The National Center for Sustainability Reporting's 8th Indonesia Sustainability Reporting Awards.
 - ◆ CDL was conferred the highest tier Platinum Award for the Singapore HEALTH (Helping Employees Achieve Life-Time Health) Award 2012 for the second time.
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ABOUT CDL

CDL has been Singapore's property pioneer since 1963. We are a Singapore-listed international property and hotel conglomerate involved in real estate development and investment, hotel ownership and management, facilities management and the provision of hospitality solutions.

With an extensive network of more than 350 subsidiaries and associated companies under our wings, CDL has five companies listed on notable stock exchanges in New Zealand, Hong Kong, London and Philippines. The Group currently owns and manages a solid portfolio of residential and investment properties, in addition to hotels, across Asia, Europe, Middle East, North America and New Zealand/Australia.

Headquartered in Singapore, CDL has established a remarkable track record of having developed over 30,000 luxurious and quality homes catering to a wide range of market segments. As one of Singapore's biggest landlords, we own over 7.8 million square feet of floor/lettable area of office, industrial, retail, residential and hotel space locally and globally. The Group possesses one of the largest land banks amongst private developers, with over 3.2 million square feet that has the vast potential of being developed into over 9.3 million square feet of gross floor area. CDL has 379 employees at our headquarters and as of 31 December 2012, CDL reported a revenue of \$3.35 billion.

SINGAPORE'S PROPERTY PIONEER SINCE 1963.

VISION & STRATEGY

Since the 1990s, CSR has been integrated into our corporate vision & mission.

CORPORATE VISION

To maintain industry leadership in innovation, product quality, service standards, profitability and corporate social responsibility.

CORPORATE MISSION

Customers

To offer quality and innovative products, unsurpassed service and value for money.

Investors

To maintain profitability and optimum returns for their investment.

Employees

To maximise the potential of staff and care for their personal well-being and career development.

Suppliers

To select based on quality work and their ability to complement our commitment to environment, health and safety.

Community

To serve the community we operate in so as to create a better place for all, especially caring for the less fortunate, enhancing youth development, promoting the arts and conserving the environment.

CSR VISION

To be a leader in business and a champion of CSR.

CSR MISSION

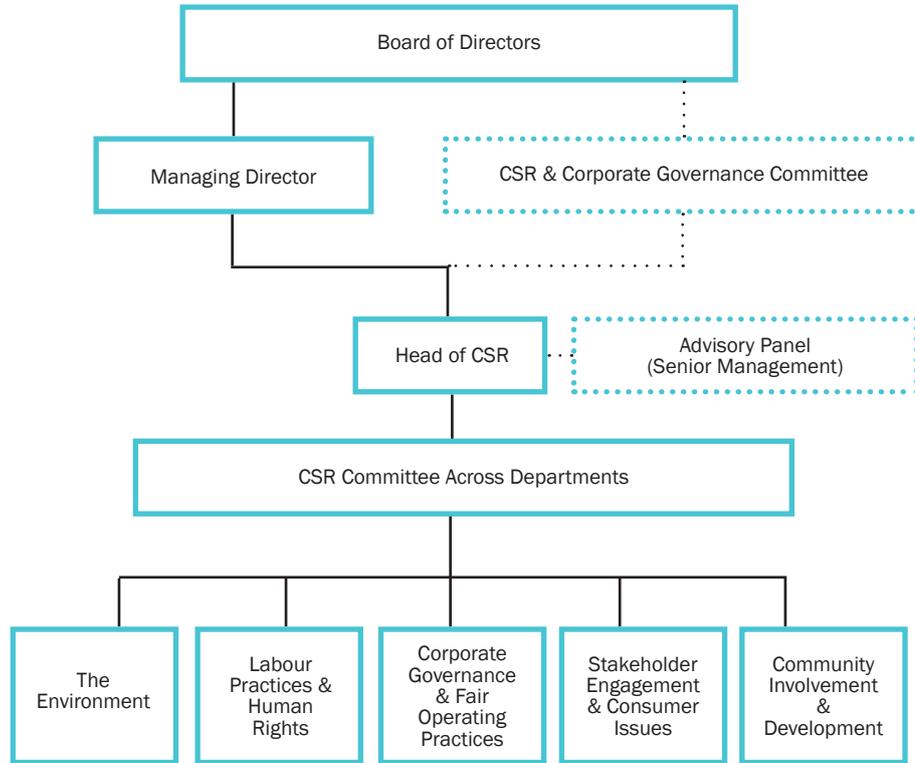
To be a responsible corporate citizen who believes in creating value for stakeholders, conducting sustainable business practices, caring for the community and protecting the environment.

CSR APPROACH

CDL continues to refine our management approach to adapt to the changing business and CSR landscape. The senior management has, within the scope of CDL's corporate operations, determined that the Environment, Employee Relations, Corporate Governance and Risk Management, Stakeholder Relations and Community constitute key CSR areas material to the business. A company-wide CSR Committee was established in 2008 and later aligned with ISO 26000: Guidance on social responsibility in 2010.

The CSR Committee is responsible for mapping out CSR strategies and measuring key performance. It initiates, drives and monitors various aspects of the Company's CSR practices to ensure these are integrated into our business operations and complements corporate objectives. Above this Committee, at the Board Level, a CSR & CG Committee was established in 2012 to assume an advisory role for the Company's CSR strategies. The CSR & CG Committee comprises three Directors, the majority of whom are independent, and is chaired by the Managing Director.

CSR COMMITTEE STRUCTURE



Aligned with the ISO 26000: Guidance on social responsibility

CSR OBJECTIVES

Corporate

- Raise awareness of CSR within and outside of the Company
- Achieve industry leadership position in CSR in Singapore
- Establish a business framework for sustainable management and innovation

Financial, Corporate Governance and Risk Management

- Maintain profitability and optimum returns for investors
- Ensure good corporate governance and sound risk management
- Create value for investors through financial and non-financial performance
- Ensure the maintenance of an internationally-based management system such as Singapore Quality Class for business excellence

Human Resource

- Improve employees' competencies and maximise their potential for career development
- Create a work environment that supports a corporate culture of work-life harmony
- Improve employees' health and well-being
- Achieve industry leadership position in Workplace Health and Work-life initiatives in Singapore

Environmental, Health and Safety (EHS)

- Ensure the maintenance of an international management system for the environment
- Achieve industry leadership position in developing and maintaining green buildings in Singapore
- Achieve ISO 14001 targets at both corporate and operational levels

Product Responsibility

- Focus and reinforce on delivering quality and innovative products
- Focus and reinforce commitment to the development of green buildings
- Create products that are value for money
- Provide quality customer service

Supply Chain

- Proactively engage builders and suppliers on quality of work and commitment to EHS

Community

- Serve and create a better living environment for the community
- Proactively engage the community through synergistic collaborations and sustainable CSR programmes

KEY PRINCIPLES AND POLICIES

CDL has in place a comprehensive structure comprising principles, policies and guidelines to ensure that CDL addresses key issues pertinent to our business and performs credibly to stakeholder expectations.

CORPORATE GOVERNANCE

CDL is committed to maintaining good corporate governance and business integrity in all its business activities.

Since 2010, CDL had joined the Securities Investors Association Singapore ('SIAS') and its partners in making the following public Statement of Support, which was reiterated at the 3rd Singapore Corporate Governance Week 2012 (organised by the SIAS) in October 2012:

AS AN ORGANISATION, WE ARE COMMITTED TO UPHOLDING HIGH STANDARDS OF CORPORATE GOVERNANCE TO ENHANCE SHAREHOLDER VALUE. WE BELIEVE PRACTISING GOOD CORPORATE GOVERNANCE IS CENTRAL TO THE HEALTH AND STABILITY OF OUR FINANCIAL MARKETS AND ECONOMY.

At the SIAS Investors' Choice Awards 2012 in October 2012, CDL received the Singapore Corporate Governance Award 2012 – 2nd Runner-Up (Big Cap) and the Singapore Most Transparent Company Award – Runner-Up (Real Estate Category).

CDL adheres closely to the principles and guidelines of the Code of Corporate Governance 2005 ('2005 Code'). Whilst the revised Code of Corporate Governance 2012 ('2012 Code') will only be applicable to CDL in respect of its financial year commencing 1 January 2013, CDL has commenced compliance with a number of the key revised guidelines under the 2012 Code and will further review its corporate governance practices to bring the same in line with the recommendations under the 2012 Code.

CDL's main corporate governance practices with reference to the following principles of the 2005 Code and additionally, where applicable, the 2012 code, are set out in CDL's Corporate Governance Report 2012.

Board Matters

Principle 1:

The Board's Conduct of Affairs

Principle 2:

Board Composition and Guidance

Principle 3:

Chairman and Chief Executive Officer

Principle 4:

Board Membership

Principle 5:

Board Performance

Principle 6:

Access to Information

Remuneration Matters

Principle 7:

Procedures for Developing Remuneration Policies

Principle 8:

Level and Mix of Remuneration

Principle 9:

Disclosure of Remuneration

Accountability and Audit

Principle 10:

Accountability

Principle 11:

Audit & Risk Committee (ARC)

Principle 12:

Internal Controls

Principle 13:

Internal Audit (IA)

Communication with Shareholders

Principle 14:

Communication with Shareholders

Principle 15:

Greater Shareholder Participation

For the full Corporate Governance Report, please refer to the Company's Annual Report 2012 at www.cdl.com.sg/annualreport2012, pages 32 to 45.

Corporate Values and Conduct of Business

The Board and Senior Management are committed to conducting business with integrity and consistent with high standards of business ethics, and in compliance with all applicable laws and regulatory requirements. The Company has adopted an internal Code of Business Conduct and Ethics which sets out the Company's ethical values and business principles and provides a communicable and understandable framework for staff to observe these values and principles such as honesty, integrity, responsibility and accountability at all levels of the organisation. The code is available on the Company's intranet and is easily accessible by all employees.

The code provides guidance on issues such as:

- conflicts of interest and the appropriate disclosures to be made;
- the Company's stance against corruption and bribery;
- compliance with applicable laws and regulations including those relating to the protection of the environment and the conservation of energy and natural resources;
- compliance with Company's policies and procedures, including those on internal controls and accounting;
- safeguarding and proper use of Company's assets, confidential information and intellectual

property rights, including the respect of the intellectual property rights of third parties; and

- competition and fair dealing in the conduct of the Company's business, in its relationships with customers, suppliers, competitors and towards its employees.

In line with the Board's commitment to maintain high ethical standards which are integral to our corporate identity and business, the Board has also adopted the following three corporate policies in 2012:

- (i) Anti-Corruption Policy & Guidelines which sets out the responsibilities of the Group companies and of each employee in observing and upholding CDL's 'zero-tolerance' position against all forms of corruption, bribery and extortion and provides information and guidance to employees on how to recognise, address, resolve, avoid and prevent instances of corruption, bribery and extortion which may arise in the course of their work.
- (ii) Fraud Policy & Guidelines which provides guidance on actions which may constitute fraudulent conduct and highlights the importance of the implementation, maintenance and compliance with the internal controls framework of the Group and its policies and procedures.
- (iii) Competition Policy & Guidelines which states the Company's policy to compete fairly and ethically in the conduct of business in all of our markets and provides direction and guidance to employees in their relationships and communications with competitors and customers.

These policies are available on the Company's intranet and have also been disseminated to officers and employees of the Group's key subsidiaries.

Whistle-blowing Policy

CDL has in place a Whistle-blowing Policy where staff of the Company and other persons can raise in confidence, whether anonymously or otherwise, concerns on possible improprieties relating to accounting, financial reporting, internal controls and auditing matters as well as any breach of

the Code of Business Conduct and Ethics, without fear of reprisals in any form. The ARC has the responsibility of overseeing this policy which is administered with the assistance of the Head of IA. Under these procedures, arrangements are in place for independent investigation of such matters raised and for appropriate follow-up action to be taken.

The Company is committed to maintaining procedures for the confidential and anonymous submission of reports and the anonymity of the whistle-blower concerned will be maintained where so requested by the whistle-blower who lodged the report. Investigations of such reports will be handled on a confidential basis to the extent permissible or deemed appropriate under the circumstances, and involve persons who need to be involved in order to properly carry out the investigation and will, on a best efforts basis, be carried out in a timely manner.

In order to facilitate and encourage the reporting of such matters, dedicated communication channels have been established. These include a whistle-blowing email account at cdl.ethics.hotline@cdl.com.sg and specific contact numbers which are secured.

The Whistle-blowing Policy, which is reviewed by the ARC from time to time to ensure that it remains current, is available on the Company's website and intranet and is easily accessible by all employees and other persons. The ARC has also recently approved the guidelines set out in the Whistle-blowing Investigation Procedures which formalises the procedures for investigating reports received and for taking appropriate follow-up action.

Internal Code on Dealings in Securities

The Company has in place an internal code on securities trading which sets out the implications of insider trading and provides guidance and internal regulation with regard to dealings in the Company's securities by its Directors and officers.

These guidelines prohibit dealing in the Company's securities (a) on short-term considerations, (b) while in possession of unpublished material price-sensitive information in relation to such securities, and (c) during the 'closed period', which is defined as two weeks before the date of announcement of results for the first, second and third quarter of the Company's financial year and one month before the date of announcement of the full-year financial results, and ending on the date of the announcement of the relevant results. The Directors and employees of the Company are notified in advance of the commencement of each 'closed period' relating to dealing in the Company's securities. The internal code on securities trading is available on the Company's intranet and is easily accessible by all employees.

RISK MANAGEMENT

Risk management continues to play an important part in the Company's business activities and is an essential component of its planning process. The Board has overall responsibility to ensure that the Company has the capability and necessary framework to manage risks in new and existing businesses and that business plans and strategies accord with the risks appetite that the Company undertakes to achieve its corporate objectives. To assist the Board in its risk management oversight, the ARC has been authorised by the Board to provide oversight and review on matters relating to the risk management policies and systems of the Company.

The ARC's risk management function is assisted by a Risk Management Committee (RM Committee), whose members comprise Senior Management. The RM Committee is responsible for ensuring the effectiveness of the risk management framework of the Company, the objective of which is to provide an enterprisewide view of the risks involved in property investment, development and management activities and a systematic process for identification, assessment, management and reporting of such risks on a consistent and reliable basis.

The RM Committee is mandated to focus on key strategic risks whilst also ensuring that the business units are responsible for the day-to-day tracking, monitoring and control of risks within their operations.

The Enterprise Risk Management Department assists by providing the RM Committee with the quarterly status of the key strategic risk exposures and the Senior Management with a timely assessment of key risk exposures and any new emerging risks that may require assessment. The RM Committee reports quarterly to the ARC on the overall strategic and operational risks positions, including mitigating measures, treatment plans and the occurrence or potential occurrence of significant risk events.

The RM Committee had, since 2002, established a formal risk management framework. Within this framework, significant business risks are identified, assessed, evaluated, monitored, managed, and reported on a regular basis. The risk governance structure of the Company is regularly reviewed against international standards and best practices in risk management. The Company recognises that the risk management process is an ongoing process and aims under its risk governance structure to continue to look for ways to improve in the following areas:

- increase monitoring and control capabilities in its review of significant strategic business risks;
- review the effectiveness of the systems of internal controls to limit, mitigate, manage and monitor identified risks;
- ensure that the operating systems deliver adequate and timely information required for effective risk management; and
- build on and integrate into its existing governance and management systems the appropriate tools for effective management of strategic business risks which are reflective of changes in markets, products and emerging best practices.

The Company's risk management framework has categorised its risks into the following main risk types:

Operational Risks

The risk management framework is integrated into the management processes at operational levels, with the respective management at divisional and departmental levels being responsible for identifying, assessing, mitigating and managing the operational risks within each of their functional areas. The implementation and use of a system of internal controls, and operating, reporting and monitoring processes and procedures (including processes involving due diligence and collation of market intelligence and feedback), supported by information technology systems and constant development of human resource skills through recruitment and training, are important elements of the risk management framework, to mitigate risks relating to product and service quality assurance management, costs control management, design and product innovation, market intelligence, marketing/sales and leasing management, financial control management and regulatory compliances in the Company's operations.

The maintenance of adequate insurance coverage for the Company's assets, and the protection of and continued investment in the security and integrity of its information technology systems and database which are highly integrated with its business processes, are also part of the Company's control processes for the protection of its assets.

The Company also maintains close working relationships with its business partners and relevant authorities to keep abreast of political developments and changes in the regulatory framework and business environment.

Investment and Portfolio Risks

Risk evaluation forms an integral aspect of the Company's investment strategy. Balancing risk and return across asset types and geographic regions are primary considerations

to achieve continued corporate profitability and portfolio growth. This risk assessment includes macro and project specific risks analysis encompassing rigorous due diligence, feasibility studies and sensitivity analysis on key investment assumptions and variables. Each investment proposal is objectively evaluated to fit the corporate strategy and investment objective. Potential business synergies including collaboration risks assessments are identified early to ensure business partnership objectives and visions are well-aligned and collaboration partners are like-minded and compatible.

Treasury and Financial Risks

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risks, liquidity risks and market risks, including interest rate risks and foreign currency risks.

The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken for speculative purposes except for the use as hedging instruments where appropriate and cost efficient.

Credit Risk — The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of these financial assets.

Transactions involving financial instruments are entered into only with counterparties that are of acceptable credit quality. Cash and fixed deposits

are placed with banks and financial institutions which are regulated.

Liquidity Risk — The Group monitors its liquidity risk and maintains a level of cash and cash equivalents, and credit facilities deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Interest Rate Risk — The Group's exposure to market risk changes in interest rates relates primarily to its interest bearing financial assets and debt obligations. The Group adopts a policy of managing its interest rate exposure by maintaining a debt portfolio with both fixed and floating rates of interest. Where appropriate, the Group uses interest rate derivatives to hedge its interest rate exposure for specific underlying debt obligations.

Foreign Currency Risk — The Group is exposed to foreign currency risks on sales, purchases and borrowings that are denominated in a currency other than the respective functional currency of the Group's entities.

The Group manages its foreign exchange exposure by a policy of matching receipts and payments, and asset purchases and borrowings in each individual currency. Forward foreign exchange contracts are used purely as a hedging tool, where an active market for the relevant currencies exists, to minimise the Group's exposure to movements in exchange rates on firm commitments and specific transactions.

Wherever necessary, the Group finances its property, plant and equipment purchases by using the relevant local currency cash resources and arranging for bank facilities denominated in the same currency. This enables the Group to limit translation exposure to its balance sheet arising from consolidation of the Group's overseas net assets.

Human Resource Risks

The Company recognises human resource as an important contributing factor towards the stable growth of the Company, and accordingly efforts are taken to enhance the processes for recruitment, compensation,

training and development of employees. Identification of core competencies is critical in the employee selection and development processes, and the implementation of performance assessment and management programmes, coupled with career development and training programmes, are part of the Company's human resource strategy to improve work performance, maximise competencies, increase staff commitment and retention, and develop further an effective succession planning programme within the organisation.

The management also supports work-life harmony programmes and family-friendly policies as part of its efforts to help employees achieve a balanced life between work and family and at the same time create a quality workplace.

Crisis Risks

Operating in an environment with potential threats of terrorism, epidemic outbreaks and information systems failure, the management has put in place a company-wide Business Continuity Plan (BCP) to mitigate the risks of interruption and catastrophic loss to its operations and information database arising from such potential threats.

The RM Committee is responsible for overseeing the maintenance of the BCP. Procedures and processes of the BCP include identification of alternate recovery centers, operational procedures to enable communication, continuity of critical business functions and recovery of database in the event of a crisis incident. Periodic incident management drills are conducted to familiarise employees with the emergency response and crisis management plans of the Company.

The plans to carry out periodic tests on BCP, results of the tests, as well as recommendations and corrective actions are reviewed by the RM Committee annually and reported to the ARC. Further enhancement during the year included the alignment of corporate BCP to various operating departments' environmental emergency procedures. Action plans have been put in place to ensure newly established business units are equipped with the respective BCPs to meet their needs.

THE MANAGEMENT ALSO SUPPORTS WORK-LIFE HARMONY PROGRAMMES AND FAMILY-FRIENDLY POLICIES AS PART OF ITS EFFORTS TO HELP EMPLOYEES ACHIEVE A BALANCED LIFE BETWEEN WORK AND FAMILY AND AT THE SAME TIME CREATE A QUALITY WORKPLACE.

Environmental, Health and Safety (EHS) Risks

As a developer with extensive operations, strategic and concerted efforts have been put in to mitigate the impact of our operations on the environment. The Company's EHS Policy (established in 2003) sets the strategic direction for all departments, employees and stakeholders to take practical effort to ensure effective EHS management in its operations.

To manage its EHS risks, the Company has since 2003 integrated an EHS Management System within its operations, certified against the international ISO 14001 Environmental Management System and OHSAS 18001 Occupational Health and Safety Management System on an annual basis.

Through this system, the Company evaluates its key EHS risks, determining the risk level based on a risk assessment technique consisting of the likelihood of the occurrence and severity of the impact. Control measures are promptly applied to mitigate all significant EHS risks. This is done through setting objectives and targets, establishing programmes and/or putting in place work procedures and work instructions.

The guiding principle of the mitigating measures is to follow the hierarchy of control, starting with elimination, and then moving to substitution, isolation, use of engineering control, use of administrative control and last of all, use of personal protective equipment.

The Company's EHS targets and performance are measured and regularly tracked by internal and external auditors. Gaps and possible risks are identified for prompt rectification and continual improvement.

Millennium & Copthorne Hotels plc (M&C)

The risk management activity of M&C, the Group's hotel arm, is directed by its

Executive Management Committee, led by its Chief Executive Officer (CEO), and is facilitated by the Head of Risk and Internal Audit. The CEO and members of the Executive Management Committee undertake regular reviews of (i) the risk registers, compiled and updated to map the nature of the risks relative to their likelihood of occurrence and severity and associated trends, and (ii) the progress of the risk treatment plans devised to eliminate, minimise or transfer risks. The board of M&C has overall responsibility for the risk management process of the M&C group and for ensuring that its risks are managed appropriately and, either directly or through the audit committee of M&C, reviews the effectiveness of the M&C group's risk management processes and other internal controls. Information on M&C's principal risks can be found in its Annual Report for FY 2012, pages 24 to 28.

On the EHS front, M&C's UK region has published and launched new policies and procedures accredited to the British Standards Institute for its Occupational Health and Safety Management System, compliant with OHSAS 18001. The management of M&C's European region is currently in the process of rolling out the system across the remaining UK hotels, which is designed to ensure robust and comprehensive risk assessment and recognition across the business. These efforts have been supported by new software and management systems, specific to health and safety, resulting in tighter control of statutory/mandatory inspections and audit trails.

Whilst M&C continually assesses its environmental impact and actively seeks ways to reduce it through improvements in its hotel's operating infrastructure and by modifying work practices, the hotel management also works with its suppliers to minimise the environmental impact of their activities. Environmental performance is also being integrated into the operational objectives of the hotel staff. The M&C group monitors the

carbon footprint for all of its owned and managed properties, and the board of M&C has set a target for the group's energy consumption.⁽²⁾

PEOPLE ENGAGEMENT

CDL is an advocate of employee wellness, in terms of both physical and mental health, as well as a harmonious relationship between work, family and personal commitments. With a holistic and caring corporate culture, the needs of our employees are well taken care of, which helps to create a more engaged and productive workforce. This then contributes to the growth and sustainability of our business.

With this belief, CDL is committed to become an employer of choice through our three-pronged approach – developing, engaging and caring for our employees. To achieve this, we have incorporated a myriad of strategies with a focus on employee engagement and retention, learning and development, work-life and work-health initiatives to promote and build a sustainable work environment for our employees. To enhance employee engagement, we continue to think out of the box to implement creative initiatives to augment and reinforce the positive relationship we have with our employees.

Employers' Pledge of Fair Employment Practices

CDL is a signatory of the Employers' Pledge of Fair Employment Practices with the Tripartite Alliance for Fair Employment Practices (TAFEP). TAFEP works with employer organisations, unions and the Government to create awareness and facilitate the adoption of fair employment practices. The alliance is co-chaired by representing employer unions and National Trades Union Congress (NTUC).

Our recruitment process adheres to strict guidelines on non-discrimination and fairness. There is no preference of gender, ethnicity, religion or age. CDL offers fair and competitive

⁽²⁾ Please refer to M&C's Annual Report 2012, which is available online at www.millenniumhotels.com, pages 29-31 for details on their CSR performance.

WITH A HOLISTIC AND CARING CORPORATE CULTURE, THE NEEDS OF OUR EMPLOYEES ARE WELL TAKEN CARE OF, WHICH HELPS TO CREATE A MORE ENGAGED AND PRODUCTIVE WORKFORCE.

remuneration packages based on employees' competencies, expected roles and responsibilities.

Human Rights

The Singapore Government takes a pragmatic rather than an ideological approach to human rights. It has ratified 20 International Labour Organization Conventions to date covering four main aspects of employment standards such as child labour, forced labour, collective bargaining and equal remuneration. Singapore is ranked 18th in the world (out of 187 countries and territories) in the UN's Human Development Index.⁽³⁾

Fair employment practices are implemented together with regulation guidelines set by the Ministry of Manpower (MOM) through the Employment Act. All employees regardless of nationality (including foreign workers⁽⁴⁾) are covered under the Employment Act. A section of the Employment Act covers regulations pertaining to maximum working hours, overtime payments, authorised salary deductions and frequency of salary payments. Foreign workers are informed of their rights under the Act even before arrival in Singapore.

In Singapore, foreign labour is a key manpower resource in the construction industry. Although CDL does not directly employ foreign workers, they occupy an important position in the Company's value chain. In 2012, CDL issued a Corporate Statement on

Human Rights which includes working with our appointed builders to protect the rights of foreign workers they hire to work at our construction sites.

CDL's long-term approach to foreign workers is two-fold. Firstly, CDL remains committed to working with our builders to improve the living and working conditions of their foreign workers. Secondly, the Company will ensure that our business is aligned with the broader national policy pertaining to foreign workers. We remain committed to working with our builders to ensure that the foreign workers are provided living and working conditions that are not only in compliance with

regulations, but are also safe, sanitary and dignified.

Pledge for Zero — A CEO Commitment Charter

CDL is a founding signatory of the 'Pledge for Zero — A CEO Commitment Charter' which was launched at the inaugural Construction CEO Summit, organised by the Workplace Safety and Health Council in November 2008. CDL adopted the pledge and committed to establish a zero injury workplace. In 2010, CDL invited our builders and consultants to sign the pledge as well and collectively commit to raising the EHS standards at our worksites in Singapore.

CORPORATE STATEMENT ON HUMAN RIGHTS

CDL's commitment to corporate social responsibility includes the advocacy of human rights and the Company is conscious of the specific areas in which it can make a positive contribution. It recognises the need to look at the broader Singapore context and keeps in mind the priorities and challenges of the industry. As such, CDL understands that it can only act within the scope of its core business activities. However, it ensures that direction and outcome of its actions are constantly monitored and improved. In doing so, CDL:

- Embraces diversity and inclusivity at the workplace and appreciates contributions made by all employees
- Provides just and favourable work conditions in an indiscriminating manner
- Supports the right to work and recognises that job creation and protection are fundamental business responsibilities
- Strives to work with builders in protecting the rights of foreign workers they hire to work on its sites

⁽³⁾ Source: United Nations Development Programme, 2013 Human Development Report.

⁽⁴⁾ Semi-skilled or unskilled foreign workers.

FOR CLOSE TO A DECADE, CDL HAS BEEN INCORPORATING COMMUNITY-FRIENDLY FEATURES AND BEST PRACTICES IN UNIVERSAL DESIGN WITHIN DEVELOPMENTS.

PRODUCT STEWARDSHIP

Real estate development in Singapore is highly regulated by the relevant authorities. When developing new properties, CDL goes beyond compliance and sets targets surpassing authorities' legislation on building standards e.g. BCA CONQUAS⁽⁵⁾, Buildability, Quality Mark Scores. These standards are administered by BCA – Singapore's governing body for the built environment.

Managing the Societal Impact of our Products

CDL caters to different market segments in Singapore, developing properties for the mass market including executive condominiums, mid-market and luxury market. In particular, accessibility in the built environment has become increasingly relevant to Singapore with the need to address the trend of an ageing population and increase in mobility issues in the years ahead.

A key enabler for enhancing the level of accessibility in the built environment is Universal Design – which broadly refers to 'design for all people'. For close to a decade, CDL has been incorporating community-friendly features and best practices in Universal Design within developments, over and above the mandatory requirements specified in the Code of Barrier-Free Accessibility by BCA.

Taking a holistic life-cycle approach, CDL applies Universal Design principles from ground zero during the architectural planning and carry them through the construction, building operations and maintenance phases. The Universal Design Policy, which is endorsed by CDL's top management, provides the Company with a framework to achieve our objective of creating an inclusive built environment

that caters to the needs of all age groups and people with different abilities, allowing them to live independently and enjoy access to facilities.

Universal Design Policy (Since 2011)

At City Developments Limited (CDL), we view our role as more than just a builder of living spaces, but also a developer of lives and communities.

Guided by our philosophy towards Corporate Social Responsibility (CSR), we endeavour to create an inclusive built environment that caters to the needs of all age groups and people with different abilities, allowing for them to live independently and enjoy access to facilities.

In conceptualising our developments, we emphasize the importance of community-friendly building design and apply Universal Design principles during the architectural planning, construction and building operations and maintenance phases to achieve:

- Seamless connectivity within the development and with external infrastructure
- Accessibility within the development
- Amenities and facilities that are safe and easy to use
- Integration of Universal Design with the overall architecture and space planning



Anthony Chia
Director
Projects Division
City Developments Limited



Daniel T'ng
General Manager
Property & Facilities Management Division
City Developments Limited

Ethical Marketing Practices

CDL is committed to upholding the principles of ethical marketing and fair competition. We have a set of internal procedures in place to ensure factual accuracy of all marketing collaterals. The Company's marketing and leasing procedures are also guided by an operations manual, which is reviewed on an annual basis.

All marketing collaterals produced by the Company are compliant with advertising and promotion standards in Singapore, namely the Singapore Code of Advertising Practice⁽⁶⁾ that is administered by the Advertising Standards Authority of Singapore which is an Advisory Council to the Consumers Association of Singapore. This self-regulatory code of conduct for advertisers has been endorsed by organisations representing advertisers, advertising agencies and media.

In addition, all advertisements placed with the local dailies published by Singapore Press Holdings (SPH) are subject to copy vetting by the media owner prior to publication, with the objective of ensuring compliance with the rules and regulations stipulated by the various Singapore government bodies, Singapore Code of Advertising Practice and SPH's company policies.

⁽⁵⁾ BCA CONQUAS: Construction Quality Assessment System by BCA.

⁽⁶⁾ This Code seeks to promote a high standard of ethics in advertising by self-regulation against the background of national law and international law and practice, including the International Code of Advertising Practice published by the International Chamber of Commerce. Appendix O of the Code makes specific reference to Property Advertising.

In addition, CDL strictly adheres to the Housing Developers Rules (HDR)⁽⁷⁾, implemented by the Urban Redevelopment Authority, and ensures that our marketing practices comply. The HDR seeks to enhance transparency in the real estate industry to enable homebuyers to make better informed decisions when buying a home.

Ethical Management

All staff are provided with training on policies relating to Code of Business Conduct and Ethics. These policies are also available on the Company's intranet and have also been disseminated to officers and employees of the Group's key subsidiaries.

COMMUNICATION CHANNELS TO THE CDL ETHICS OFFICER

Email: cdl.ethics.hotline@cdl.com.sg
Mobile: +65-9772-3876
Fax: +65-6226-1706
Postal address: CDL Ethics Officer
36 Robinson Road
#19-01 City House, Singapore 068877

ENVIRONMENTAL CONSERVATION

EHS Policy

In 2003, CDL established our corporate EHS Policy, which reflects our commitment towards a 'Safe and Green' culture. We make it our business to take concerted efforts towards preventing environmental pollution and striving to apply environmentally-friendly practices in our operations.

Corporate EHS Policy (Since 2003)

City Developments Limited (CDL) is committed to being a socially responsible and environmentally friendly organisation that advocates a "Safe and Green" corporate culture. In this regard, the Projects and Property divisions as well as all supporting departments shall take every practical effort to ensure effective Environmental, Health and Safety (EHS) management in its operations.

CDL cares for the environment and its stakeholders. We will continually strive towards conserving resources and preventing pollution. We are also committed to preventing workplace injuries and illnesses, and promoting healthy living at our workplace.

The CDL Management shall ensure compliance to legal requirements and evaluate our EHS performance periodically to strive towards continual improvements in our operations.



Kwek Leng Joo
Managing Director
City Developments Limited

Revised on 17 April 2008

Climate Change Commitment

CDL is supportive of Singapore's national carbon target to reduce its GHG emissions by some 16% below Business-As-Usual (BAU) levels by 2020, contingent on a legally binding agreement, in which all countries implement their commitments in good faith. CDL has set a target to reduce the Company's carbon intensity emissions by 22% from baseline year 2007 and to achieve a 25% reduction by 2030.

CDL has also set a minimum target that all new developments are to be certified Singapore's BCA Green Mark Gold^{Plus} rating by incorporating innovative green features to support the Singapore Government's pledge towards sustainable development and carbon target.

Green Procurement Policy

In 2008, CDL formalised our Green Procurement Guidelines to influence our vendors and suppliers at our Corporate Office to adopt green procurement practices. The guidelines include:

- Sharing the corporate EHS Policy with new vendors and suppliers
- Indicating preference for use of eco-friendly/recycled materials and products
- Indicating preference for ISO 14001 certified vendors
- Declaring the use of eco-friendly/recycled paper in printed materials

LOOKING AHEAD

We will continue to improve on our business operations and performance through a combination of innovation and responsible business practices. In the year ahead, we are committed to leveraging on our successes to further engage stakeholders, especially in our supply chain by learning and listening. We look forward to the new guidelines to be issued by the GRI to help us in our efforts to align with international best practices.

⁽⁷⁾ The HDR looks at matters such as mandatory information for home-buyers, provision of track record of developers, option procedures etc. More details on the HDR can be found at www.ura.gov.sg.



TAKING THE INITIATIVE



CDL's commitment to sustainability is embodied by our three-pronged approach to develop quality and environmentally sustainable properties, manage properties in a cost-efficient and energy-efficient way and influence stakeholders through our outreach initiatives.

Beyond the development and management of our properties with environmental sustainability in mind, we undertake engagement initiatives with stakeholders involved in the life cycle of our properties with the aim of encouraging a shared responsibility, and to ensure that we become a valued partner in the community.

COMMITMENT TO OUR STAKEHOLDERS

CDL strives to better understand our stakeholders' expectations of us and how our actions impact them. We do this by engaging with them to ensure that we can better prioritise and strategise to enhance our business and social performance to meet their expectations.

Stakeholder engagement has been an important aspect of how we do business and traditional forms of engagement, such as customer engagement surveys, investor road shows and employee dialogue have long been institutionalised through policies and processes. These approaches help us better understand the effectiveness of our activities and it is through this interaction that we have built trust and credibility. CDL defines our stakeholders as groups whom we impact through our business operations in a significant way and who have a vested interest in our operations.

HOW WE ENGAGE

BUILDERS & SUPPLIERS

- CDL 5-Star EHS Assessment System and Awards to influence and encourage better EHS performance
- Green Procurement Guidelines to ensure sustainable design and construction
- EHS Seminars to engage on issues relevant to the building industry, including sustainability and the environment

GOVERNMENT & REGULATORS

- Senior management representation on boards of various industry bodies and sustainability-related public discussions
- Regulatory readiness to the Singapore Government's commitment to manage carbon emissions
- Sustained partner of various national programmes

EMPLOYEES

- Employee Assistance Programme (counselling service) and a grievance platform
- Employment Engagement Surveys
- Dialogue sessions with Senior Management
- Staff Connect Committee to foster better work-life balance and reinforce team spirit
- City Sunshine Club to enable employees to actively volunteer in the community

INVESTORS & MEDIA

- Timely release of quarterly financial results and regular briefings
- Amongst 17 founding signatories of the Anti-Corruption & Compliance Declaration
- Voluntary disclosure of ESG performance through sustainability reporting
- Commitment to maintaining good corporate governance and business integrity in all business activities

CUSTOMERS

- Universal Design Policy
- Innovative green features in buildings to help reduce water and energy consumption
- 'Let's Live Green!' to encourage homebuyers to embrace a green lifestyle
- Monitoring of after-sales customer satisfaction and regular surveys
- Homebuyer ePortal for customers to provide feedback and obtain on-going updates about their homes

THE COMMUNITY

- Active citizenship through the Government's 3P (People, Private and Public) Partnership Model
- Environmental outreach to help raise eco-consciousness
- Youth development initiatives to nurture the new generation of leaders in society
- Art programmes to promote greater appreciation of the arts
- Charitable donations and active volunteerism to help the underserved
- Ongoing advocacy of CSR through sharing sessions

PEOPLE ENGAGEMENT

CDL is committed to become an employer of choice. Over the years, we have refined our employee engagement and retention, learning and development, work-life and work-health initiatives work-health initiatives, as well as creating new ones in order to promote and build a sustainable work environment for our employees.

Furthermore, we also encourage our employees to be socially responsible by integrating CSR into our HR policies and operations. Through our HR policies, we seek to create opportunities and encourage employees to participate in CSR initiatives and activities.

CREATING THE RIGHT ENVIRONMENT

Fair Employment

As at 31 December 2012, CDL had 379 employees in Singapore. The Company is a signatory of the Employers' Pledge of Fair Employment Practices with The Tripartite Alliance for Fair Employment Practices (TAFEP) that works with employer organisations, unions and the Government to create awareness and facilitate the adoption of fair employment practices.

OUR RECRUITMENT PROCESS ADHERES TO STRICT GUIDELINES ON NON-DISCRIMINATION AND FAIRNESS AND WITHOUT REGARD TO GENDER, ETHNICITY, RELIGION, AGE OR MARITAL STATUS.

Our recruitment process adheres to strict guidelines on non-discrimination and fairness and without regard to gender, ethnicity, religion, age or marital status. CDL offers fair and competitive remuneration packages based on employees' competencies, expected roles and responsibilities.

Our rewards and compensation policies emphasises employees' merit and performance as we value their continued contributions towards achieving success and growth in our business.

Equal Opportunities

CDL recruits based on competencies and appropriate fit within the Company and equal development opportunities are provided to all employees. In terms of gender diversity, we have more females than males in both managerial and non-managerial categories. In 2012, female Heads of Departments represented 46% of the workforce in the same cohort.

The age profile of our workforce is fairly young with 21% of employees being 30 years old and below. Understanding the dynamics of the GEN Y generation is critical to our business growth, development and sustainability. GEN Y is the fastest growing segment of our workforce and is also emerging as a potential customer group. 58% of new recruits in 2012 are born in 1978 or later.

2012 also witnessed 40% of employee promotions going to GEN Y employees and 5% of our managers were 30 years old and below. This is a good representation of GEN Y amidst our managerial staff, as there will be injections of new perspectives and creativity to ensure continual renewal of people assets to the Company.

Job Security

CDL adheres to the Tripartite Guidelines on Managing Excess Manpower issued by MOM together

with its tripartite partners, Singapore National Employers Federation (SNEF) and NTUC.

CDL supports and shares a similar philosophy with the Tripartite Guidelines which strongly encourages companies to manage their excess manpower and to consider reorganisation only as a last resort. The guidelines also suggest company retraining programme for workers, redeployment of workers to alternative areas of work, implementing shorter work weeks, temporary lay-offs, flexible work arrangements, and managing wage costs through the use of a flexible wage system.

There has been no major reorganisation in the past five years. In the event of termination or employee resignation, there is a minimum of one to three months-notice period that needs to be fulfilled, depending on the employee job grade. Due to operational requirements, mid and senior management are required to provide a notice period of two and three months respectively.

Retirement and Re-employment Policy

The Singapore Government has implemented the re-employment⁽⁶⁾ legislation in 2012 to enable more people to continue working beyond the current statutory retirement age of 62, up to 65 in the first instance and later, up to 67. The legislation requires employers to offer re-employment to employees with satisfactory performance and who are medically fit, to continue working beyond the age of 62, till age 65.

Since 2005, CDL has a re-employment practice of extending employment to employees who have reached retirement age. Employees, who are due for retirement but are still able to contribute to CDL, can continue to remain employed at full pay. At the age of 62, employees who meet CDL's re-employment criteria (i.e. satisfactory performance and medically fit, with availability of a suitable role), will be offered re-employment in the same job. They will be offered a

⁽⁶⁾ Re-employment is not the same as raising the retirement age as it requires employers to offer jobs to employees reaching the retirement age, but it need not be for the same job position or on the same salary and terms.

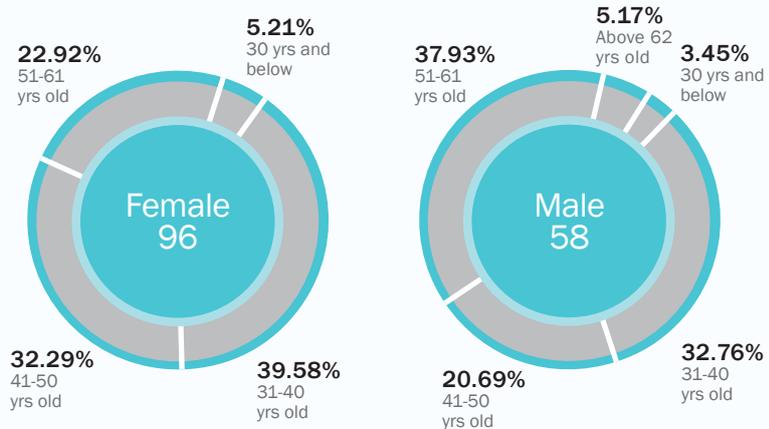
yearly term-contract with no change in existing benefits and salary, and are also eligible for all bonus pay-outs.

In 2012, two employees (at age 62) were re-employed in the same job. We have a total of 10 employees, both managerial and non-managerial, above the age of 62.

CDL also provides a one-off Employment Assistance Payment (EAP), as stipulated by legislation, should any employee reach the age of 62 and does not meet the necessary criteria for re-employment regardless of reasons. There were no EAP cases in 2012.

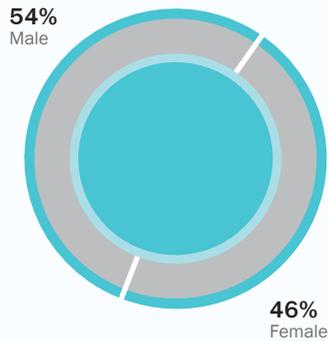
AGE GROUP MANAGERIAL

TOTAL: 154



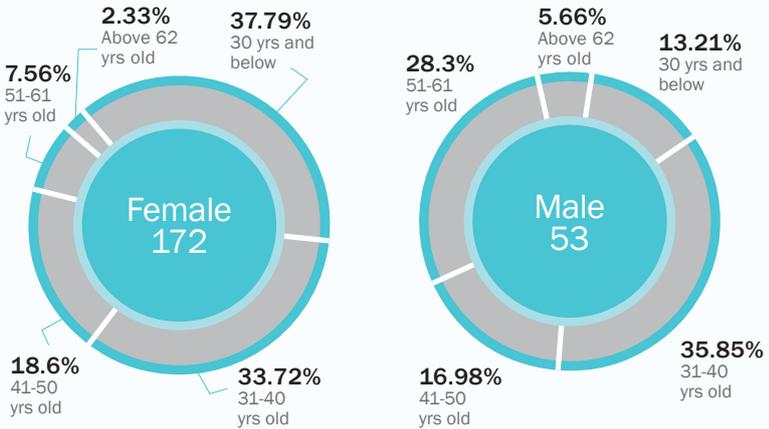
GENDER PROFILE OF HEADS OF DEPARTMENT

TOTAL: 26



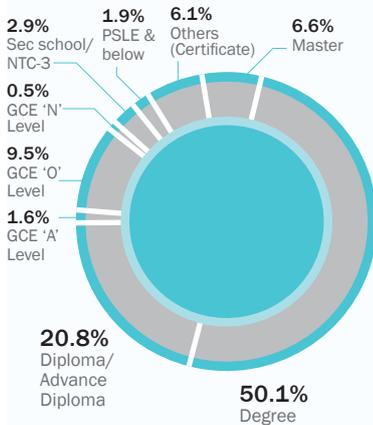
AGE GROUP NON-MANAGERIAL

TOTAL: 225



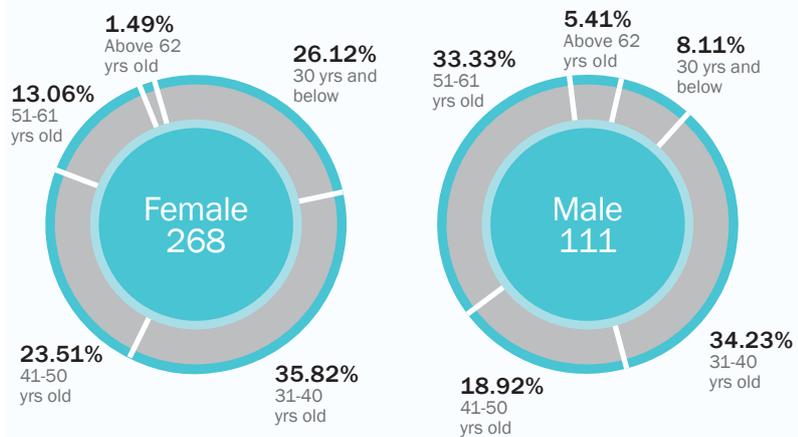
EDUCATION PROFILE

TOTAL: 379



AGE GROUP PROFILE

TOTAL: 379



EMPLOYEE RELATIONS

CDL places high emphasis on employee engagement and strives towards ensuring that our employees remain committed and motivated to play a role in the success of the organisation. CDL believes in developing employee engagement strategies to drive the message of connectivity and commitment into the hearts and minds of employees. Our employees have access to various constructive dialogue and feedback mechanisms within the Company to voice their concerns and advance their interests.

Employee Engagement

CDL conducts a bi-annual Employee Engagement Survey (EES) to acquire insights into areas of potential employee-related concerns in order to proactively address them so as to improve employee engagement and effectiveness. Heads of Departments are also required to play a proactive role in engaging their employees and develop concrete post-employee survey action plans to address existing gaps and concerns.

In order to foster interaction and build camaraderie amongst employees, CDL regularly organises social and volunteering activities through employee-managed committees comprising representatives from various departments, such as City Sunshine Club (CSC), Staff Connect (SC) and Work-Life Committee. SC plans activities such as our Annual Staff Day to reinforce employees' team spirit and bonding whilst the Work-Life Committee focuses on work-life related initiatives including 'Eat With Your Family Day'.

Employee Communication

CDL's management also believes in maintaining regular communication channels with employees. Through communication sessions, dialogue sessions with senior management and internal platforms comprising various working committees, CDL ensures that employees' views are always heard.

Through the dissemination of City News, City Dynamix and Staff Circular, employees are informed of the latest

company updates. Also available to all employees is our intranet portal which houses information such as employments terms, benefits and practices, and corporate policies.

Grievances Resolution

CDL has policies to ensure employee grievances are dealt with promptly and heard in a fair and impartial manner. Employees are guided by the Code of Conduct and Whistle-blowing Policy. The latter deals with complaints regarding the Company's accounting, financial reporting, internal controls and auditing matters and protects the confidentiality and anonymity of employees who are reporting legitimate concerns regarding these matters.

Employees who have problems related to work are advised to raise this with their immediate supervisor and HR facilitates in the investigation of any grievances as well as manages the consultation process after, where necessary. We are currently in the midst of reviewing our grievance procedures and plan to issue a more comprehensive guideline in 2013.

Respect for Freedom of Association

CDL respects all employees' fundamental rights to freedom of association and the right to be members of trade unions. Although CDL is not a unionised company, it is guided by the Industrial Relations Act that allows representation of employees by trade unions for collective bargaining thus providing them with an avenue to seek redress for their disputes. As part of our efforts to recognise employees' participation in professional bodies, CDL supports employees' subscription to these professional bodies.

REWARDING OUR EMPLOYEES

To become an employer of choice, CDL acts to empower, nurture and value our people. CDL has an employee engagement and development strategy that focuses on employees' potential while sustaining their career aspirations. We firmly believe that employee engagement is critical to advancing the organisation's growth and productivity and we are committed

to retaining our talent through performance management and reward opportunities.

Fair Remuneration

CDL offers fair and competitive remuneration packages based on the capabilities and potential of employees. Remuneration package of an employee is given based on merit and job worth. Employees are eligible for overtime compensation in accordance with the Employment Act.

Our compensation packages are aligned to internal parity and market benchmarks. This is to ensure our competitiveness in attracting talent.

Talent Management

Innovation and productivity are critical for CDL to stay ahead of the competition. In CDL, 78% of our employees hold Diplomas and above. We believe in developing our employees and helping them achieve their potential, so that they can contribute to the success of the organisation.

CDL has a well-structured performance appraisal system where open performance appraisal exercises take place on an annual basis. In addition, annual staff training needs analysis are conducted to determine the types of training required to address learning gaps. Aligned to the organisation's strategic objectives, an organisation-wide learning plan is implemented to ensure that employees are adequately equipped with required foundational and functional competencies.

The Company has policies that provide employees with opportunities for professional development and skills enhancements and employees are encouraged to be proactive about their own learning. Supervisors are also encouraged to promote the attainment of greater knowledge and skills acquisition. Generally, employees are required to set aside at least four days for training every year.

WORKPLACE HEALTH AND SAFETY

CDL's approach to workplace health and safety is two-fold: hardware and 'heartware'. All departments are to adhere to the principles of the EHS Policy.

In addition to comprehensive insurance coverage and flexible working hour arrangements, CDL established an EHS Committee that monitors and advises on the Company's Occupational Health and Safety Programme.

We also seek to help employees achieve work-life harmony and wellness in physical and mental health. By satisfying employees' needs for work-life harmony, CDL benefits by enjoying high retention and staff engagement. This, in turn, drives productivity. A more effective workforce will not only be able to contribute to the organisation's growth, but towards society as well. CDL has a dedicated committee comprising employee representatives across departments to plan and organise activities to support work-life initiatives.

Total Wellness

To promote total wellness, an extensive array of activities is planned every year. Employees are provided with free annual basic health screening during working hours while their family members can participate in the health screening programme at a discounted price.

In addition to a healthy snack given to employees every month to promote better consumption habits, CDL organises various sports and wellness activities to encourage employees to lead an active and healthy lifestyle. The activities organised include exercise workouts such as yoga, zumba and various talks on healthy eating and stress management.

Physical Health

CDL has a Sports Subcommittee that organises various events for employees to engage in outdoor activities such as dragon boating, tennis and futsal. In addition, we collaborate with fitness centres to provide corporate membership rates for our employees.

Mental Health

CDL has an Employee Assistance Programme which provides employees with an avenue to seek help on issues concerning work, interpersonal relationships, family issues, etc. To ensure confidential assistance, this hotline is manned by a third-party psychologist.

HUMAN RIGHTS

MOM has 14 divisions and three statutory boards, governing employment of locals and foreign workers in Singapore. For example, the Foreign Manpower Management Division (FMMD) was set up to look into the well-being of foreign workers during their employment in Singapore. In the areas of enhancement of workplace standards for foreign workers and enforcement of foreign workforce policies, FMMD works closely with other departments within the Ministry, including the Workplace Policy and Strategy Department, Work Pass Division, Occupational Safety and Health Division and Labour Relations & Workplaces Division.

Besides these governing bodies, there are also numerous statutory legislations that one must abide with when in employment in Singapore. Key requirements such as the Singapore Employment Act, Central Provident Fund (CPF) scheme and Retirement and Pro-Baby Legislation are highlighted below. CDL fully complies with the following legislations focusing on welfare and rights of our employees.

The Employment Act

The Employment Act provides the statutory requirements when hiring employees in Singapore. CDL not only complies with the Employment Act, but our benefits typically exceed the requirements stipulated within the Act. In addition, these benefits are extended to managerial and executive level employees who are not covered under the Act. One example would be the provision of annual leave which are better than what is stated in the Act. Other benefits include the provision of comprehensive insurance coverage for employees.

WE FIRMLY BELIEVE THAT EMPLOYEE ENGAGEMENT IS CRITICAL TO ADVANCING THE ORGANISATION'S GROWTH AND PRODUCTIVITY AND WE ARE COMMITTED TO RETAINING OUR TALENT THROUGH PERFORMANCE MANAGEMENT AND REWARD OPPORTUNITIES.

CPF Scheme and Retirement

The CPF is a comprehensive social security savings plan which aims to provide working Singaporeans/ Permanent Residents with a sense of security and confidence in their old age. CDL assists employees to make monthly contributions which are deducted from their monthly gross salaries, into their CPF accounts, as required by law.

CPF contribution is a percentage of the monthly salary and varies according to the employee's age. These savings earn a minimum risk-free interest of 2.5% guaranteed by the Government while a portion of the savings will earn a guaranteed minimum of 4% interest.

The overall scope and benefits of the CPF encompass the following:

Retirement

Plan to ensure sufficient savings to see CPF members through retirement

Healthcare

Plan to ensure sufficient savings to meet members' medical needs in old age

Home Ownership

Plan to ensure a property that is fully paid-up when members retire

Family Protection

Several schemes and insurance plans such as Dependents' Protection Scheme, Home Protection Scheme, catastrophic medical insurance scheme and even severe disability insurance scheme to protect CPF members and their families

Asset Enhancement

CPF members have the choice to decide for themselves how to invest their CPF savings, and what risks to accept, to ensure their financial well-being after retirement

Pro-Baby Legislation

CDL adopted measures in line with the Government's pro-baby legislations. As per the legislation, paid maternity leave stands at 16 weeks for mothers with Singapore Citizen births. Employees with at least one Singapore Citizen child under the age of seven will be entitled to six days of paid childcare leave per year.

In 2012, 18 eligible female CDL employees exercised their maternity benefits and 14 returned in 2012 whilst the remaining four came back in 2013. In addition to legislated Maternity Leave, CDL voluntarily extends one day of Paternity Leave to eligible male employees.⁽⁹⁾

Child and Forced Labour

Singapore has legislations in place such as the Singapore Employment Act, Retirement Act, Workplace Safety & Health Act, Factories Act, etc that imposes legal restrictions to mitigate risks and incidents of child labour and forced labour. For example, the Singapore Employment Act imposes restrictions on the employment of children who are below 13 years of age and stipulates a clear set of laws for employment of children between 13 and 15 years of age, including their working hours and the type of work that they can be engaged in. The Commissioner for Labour must be notified if they are engaged in industrial undertakings or have obtained permission to work on their rest days.

In addition to the current Singapore legislations, CDL ensures that all employees are issued clear employment contracts stipulating clear employment terms and conditions. We also require our suppliers to adhere strictly to such legislations.

CDL strongly believes in creating a work environment that promotes team spirit, engagement, passion and achievement. We continue to be innovative and seek meaningful ways to bring out the best in our employees, nurture camaraderie and a sense of belonging to the CDL family.

PRODUCT STEWARDSHIP

Backed by 50 years of experience, CDL has been a cutting-edge pioneer known for developing iconic quality properties which feature new lifestyle concepts and innovative technology. Aligned with the triple bottom line model, CDL develops properties that are sustainable, functional and financially marketable.

Our investment in the development of green design and state-of-the-art engineering solutions for our properties is testament to our conviction for sustainable development.

PRODUCT QUALITY

Throughout the entire cycle, all stakeholders including customers, in-house experts and professional external consultants are involved at various stages (from design, construction, procurement, maintenance to user engagement) of developing and managing a sustainable building.

CDL invests between 2% and 5% of the construction cost of a new development on green building design and features. We have also set the target to achieve a minimum BCA Green Mark Gold^{PLUS} rating for all new developments.

PRODUCT AND CUSTOMER SAFETY

Every CDL building is under the charge of a Complex Manager who oversees the daily operations of the building with a team of full time service providers including security firms that provide 24-hour coverage.

For crisis management, CDL has put in place the ISO 14000: Emergency Management System comprising different emergency response plans for known building related emergencies such as flu epidemic outbreak, fire or even a major electricity outage. As of 2012, we have also put in place a flood management response plan for commercial buildings. Similar to the

⁽⁹⁾ Legislated Paternity Leave was announced by the Singapore Government in January 2013. With effect from May 2013, employers are required to provide a week of Paternity Leave to eligible males.

conducting of mandatory fire drills, CDL now also conducts flood (dry) drills annually to ensure preparedness.

More information on the steps taken to ensure the safety of product and services is disclosed on pages 29 and 30.

CUSTOMER SATISFACTION

CDL's Customer Service Department has set up processes and infrastructure to fulfil the needs of existing and potential customers. Customers are given the ease of accessibility to the Company through various channels of communication and contact points, mainly the hotline, site offices and website.

Information is shared across different channels to render a consistent approach in CDL's service. CDL communicates regularly with our customers through various platforms, namely newsletters as well as online information on progress status of projects under construction and correspondences. There is also a structured approach to resolving complaints which are monitored closely and reviewed regularly at inter-departmental meetings.

The customer satisfaction determination process is continually reviewed at CDL through formalised regular surveys and tracking of customers. For homebuyers, an online customer satisfaction survey is administered six months after handover to measure the customer's service experience across the various touch points and to solicit feedback and suggestions on project design, features within their apartments, as well as facilities and amenities of the development.

Apart from existing homebuyers, CDL also solicits for feedback from potential homebuyers who visit our project Show Suites. The respondents' feedback on the quality and finishes in the Show Suite, apartment configuration preference and service standards, are

invaluable in our design refinement and project planning process.

By leveraging on feedback from our customers and the marketplace, we are able to respond more effectively and efficiently to evolving market demands and also constantly evaluate and refine our service standards to ensure a satisfying customer experience.

Feedback from our customers is key to driving continual improvements across the Company, from product refinement to operational process efficiency to service engagement. The data collected is analysed and reviewed for continual improvement of the Company's service levels.

Tenants at CDL's commercial properties are also surveyed annually.

RESPECT FOR CUSTOMERS

CDL protects the privacy and confidentiality of our customers' information. In addition to internal policies and procedures designed to safeguard customer information, CDL does not divulge or sell any personal information provided by our customers to third parties for their own marketing or promotional purposes.

All employees are guided by CDL's Code of Business Conduct and Ethics, and any breach of customer confidentiality will be met with strict disciplinary action.

INFLUENCING CONSUMER BEHAVIOUR

Our Homebuyers

CDL's environmental outreach programme, 'Let's Live Green!' was launched in March 2004 to showcase green features in new residential developments to homebuyers. The initiative aims to encourage homebuyers to make lifestyle choices like purchasing energy-saving appliances and practising eco-friendly habits to reduce their carbon footprint.

A special TOP Welcome Party for CDL homebuyers is often held shortly

after the project has obtained TOP⁽¹⁰⁾. The event provides an opportunity for homebuyers to experience and view their new home, in addition to partaking in an educational programme comprising talks and exhibitions on environmental conservation.

To encourage homebuyers to embrace the green lifestyle, they are also given a specially-customised Green Living Kit which contains a Green Living Guide — a book featuring green lifestyle tips and an illustrative floor plan of all the eco-friendly features provided for in their new home along with instructions for use and maintenance. Green features found in the common areas are also indicated on the plan.

Over the years, this initiative has been rolled out to over 6,000 households and feedback solicited via surveys has been positive. At a recent TOP Welcome Party held for homeowners of Volari, over 89% of the homeowners surveyed expressed their satisfaction for the Let's Live Green! talks and exhibition.

Our Tenants

CDL also assists in monitoring the individual electricity bills of our tenants. If electricity usage fluctuates by more than 10%, the Complex Manager will duly investigate the increase together with the tenant to follow-up on the cause.

Since 2007, CDL's '1°C Up Programme' has been implemented in CDL commercial properties to raise eco-consciousness amongst the tenants. It encourages tenants to make an active contribution towards energy conservation by raising the air-conditioning temperature in their office by 1°C. The programme has become a standard BAU practice at 12 CDL-managed buildings and puts the indoor temperature at an average of 24°C. Since 2009, CDL has achieved a 100% tenant participation rate.

⁽¹⁰⁾ In Singapore, the Commissioner of Building Control will issue the Temporary Occupation Permit (TOP) to a building project when it is completed. A building can only be occupied when a Certificate of Statutory Completion or TOP is granted.

COMMUNITY PARTNERSHIP

As we help to develop Singapore's built environment, CDL also contributes to the building of a vibrant society. We believe a thriving community provides the necessary conditions for a healthy economy and conducive business environment. Our role as an active citizen means we share in the concerns of our society and take on the responsibility for its betterment.

To assess the impact of our efforts, we embarked on a Community Investment Scorecard exercise in 2012. Through this exercise, which is being conducted by an independent CSR consultant, a rigorous framework for impact measurement was established based on the London Benchmarking Group model⁽¹¹⁾ for one of our signature arts initiatives – the CDL Singapore Sculpture Award. The full study will be completed mid-2013 and we will leverage on the framework to measure the impacts of the 5th CDL Singapore Sculpture Award which is being held this year.

While there are many worthy causes to support, we have seen larger and more effective impact through sustained support and remain focused on four major community involvement areas – conserving and raising awareness for the environment, enhancing youth development, caring for the less fortunate and promoting the arts.

CHAMPIONING ENVIRONMENTAL AWARENESS

CDL's ongoing efforts in promoting environmental conservation amongst the community-at-large have seen an increased interest, support and participation by public and private organisations alike. As the issue of climate change grows increasingly dire, our environmental outreach efforts have been expanded, especially those that target the youth. Our initiatives include the BCA-CDL Green Sparks Competition 2012/13, the CDL

E-Generation Challenge 2012 and Project: Eco-Office.

In 2012, CDL also unveiled plans to develop the World's 1st Green Library for Kids named 'My Tree House'. This synergistic project by the National Library Board and CDL is steered by green principles in all facets from design, infrastructure, use of sustainable materials to book collection and programming. CDL will provide green expertise from our experience of developing eco-friendly properties and integrate comprehensive sustainable practices to create a green prototype library for children. Through this effort, we have also brought on board like-minded suppliers to help make this green initiative a success.

Targeted for completion in mid-2013, this green library for children will be located at the Central Public Library and will be home to 70,000 books. About 30% of these books will focus on green topics such as animals, plants, nature, water resources, environment and climate change.

CDL also supported the Inaugural Asian Environmental Journalism (AEJ) Awards 2012. Initiated by the Singapore Environment Council (SEC), the AEJ Awards 2012 are Asia's first environmental journalism awards. The Awards aim to honour outstanding works of environmental journalism by professionals, citizen journalists and media organisations. CDL, as one of the pioneers of corporate environmental responsibility in Singapore as well as a long-time partner of SEC, lent our support for the CDL Environmental Journalist of the Year category, reflecting our commitment to spreading awareness about environmental concerns to the wider community.

Other organisations CDL has engaged and supported include China Exploration & Research Society, Eco-business.com, the National Parks Board, Nature Society (Singapore) and World Green Building Council.

EMPOWERING OUR YOUTH

New generations hold the hope for a sustainable future, and CDL is a firm supporter of initiatives that actively engage our youths for talent development and capacity building. Aside from raising environmental awareness, developing thought leadership and encouraging active community involvement are also factors for support. Besides CDL's signature programmes, such as the CDL-Singapore Compact Young CSR Leaders Award, we also supported various youth-driven initiatives as well Community Involvement Programmes (CIP) both in Singapore and abroad in 2012.

CONTRIBUTING TOWARDS A BETTER SOCIETY

CDL's tradition and philosophy of community involvement date back to the late founder of our parent Hong Leong Group, Mr Kwek Hong Png, who strongly adhered to the traditional Chinese belief “取诸社会用诸社会” which means “return to society what one has gained from it”.

City Sunshine Club (CSC) was set up in 1999 as an employee volunteer platform to facilitate and encourage employees and their families to participate in voluntary work and lend a helping hand to the less privileged through a broad range of structured programmes.

For over a decade, CDL has sustained our corporate volunteering culture through CSC, as employees have been engaging in various meaningful community involvement initiatives to help community partners and beneficiaries.

PROMOTING APPRECIATION FOR THE ARTS

CDL has long been a strong supporter of the local arts scene in Singapore. We believe that art is an effective and powerful communication tool to bring communities closer. For our sustained efforts, we have been presented the

⁽¹¹⁾ The LBG model is an internationally-recognised framework that enables corporates to measure their overall contribution to the community, taking account of cash, time and in-kind donations, as well as management costs.

Distinguished Patron of the Arts Award since 2011. Aside from signature programmes that we manage such as the CDL Singapore Young Photographer Award and the CDL Singapore Sculpture Award, we also support a number of national arts initiatives.

More details of community initiatives and the impact we create can be found in Chapter 3: **Making the Difference.**

CSR ADVOCACY

In addition to partnering and supporting various community partners, CDL places key representatives in local and international organisations to learn, share and contribute meaningfully to benefit the community.

CDL is on the Corporate Advisory Board of the World Green Building Council and a board member of the Singapore Green Building Council. We are also on the board of the Singapore Compact for CSR and our CDL Managing Director Kwek Leng Joo was elected as President in 2012.

In another pioneering move to champion sustainability, CDL became a founding member of the Business Council for Sustainable Development Singapore when it was launched by the World Business Council for Sustainable Development in November 2012.

From what we learn through this active engagement process, we can better prioritise and strategise to enhance our business and social performance to meet the expectations of our stakeholders. This has also helped us understand the effectiveness of our activities.

ENVIRONMENTAL CONSERVATION

The threats of climate change in recent history have been unrelenting, and in the most severe cases, calamitous. Moreover, they have far-reaching social and economic consequences that directly impact businesses and communities around the world.

We recognise GHG emissions globally are at unsustainable levels and there is a need to respond urgently to the issue of climate change. This response will require both mitigation efforts to minimise the direct and indirect consequences of climate change, and adaptation to address climate change impacts that cannot be avoided.

In Singapore, where buildings are projected to account for nearly 14% of national GHG emissions by 2020, CDL is taking a strategic multi-faceted approach to mitigate the impact of our operations on the environment.

EHS MANAGEMENT SYSTEMS

In 2003, CDL set a new industry benchmark as the first private property developer to receive the ISO 14001 Environmental Management System and OHSAS 18001 Occupational Health and Safety Management System in Property Development and Project Management. In 2008, CDL was awarded ISO 14001 in Corporate Management and Operations for all functions at our headquarters. In 2012, CDL attained the OHSAS 18001 in Property Management certification for 15 buildings as well as re-certified for ISO 14001 and ISO 9001 Quality Management System which were first awarded in 2007.

The EHS Management System, which is based on a Plan-Do-Check-Act methodology, is integrated into our business operations. It provides a systematic process to manage CDL's operational impact on the environment and to continuously improve our environmental performance.

TRAINING, AWARENESS AND COMMUNICATION

EHS training and awareness programmes are planned for all CDL employees to raise their EHS awareness and cultivate a 'Green & Safe' corporate culture. Employees are also encouraged to attend relevant external conferences and workshops to strengthen their EHS management skills and knowledge. As for our

builders, CDL has been facilitating the quarterly CDL 5-Star EHS Review Seminar since 2001 to raise our builders' EHS standards. Best practices are shared during the review sessions to encourage peer learning.

CDL provides various channels of communication to engage our stakeholders and share our commitments, best practices and EHS performance, as well as to solicit stakeholder feedback and suggestions for continual improvement. All CDL employees are encouraged to be forthcoming and to report all incidences of EHS-related accidents, complaints, incidences of non-compliances and non-conformities.

At CDL worksites, a hotline number is also provided for the public and CDL is committed to work with our builders, to prevent potential non-conformances.

COMPLIANCE

CDL is committed to full compliance on all applicable EHS legal requirements enforced by local governing authorities such as BCA, MOM, National Environment Agency (NEA), Singapore Civil Defence Force (SCDF) and other relevant enforcers where appropriate. CDL actively ensures that all our activities and operations comply with existing legal and regulatory requirements through constant monitoring, evaluation and auditing of our implemented EHS management systems.

CDL proactively influences and engages our stakeholders, including our architects, builders, designers, engineers and quantity surveyors to embrace safe and environmentally-friendly designs and best practices at the planning stage. CDL continues to ensure compliance during the construction and operational phase. This is done through the CDL 5-Star EHS Assessment System and regular inspections.

In 2012, out of 17 construction sites, our builders received a total of eight fines; of which five were for working

beyond allowable hours, two for vector control and one for silty water discharge. One Stop Work Order was also received from MOM for failing to sufficiently safeguard the safety of workers on-site. This was immediately investigated to identify the control lapse and rectified to ensure that safety standards were put in place. To address this, we have embarked on a review exercise to tighten our control procedures, with a view to work with our builders to maintain high EHS standards.

EHS AUDITS

The Company is subjected to annual external EHS audits which are conducted by accredited third-party auditors during renewal and surveillance visits. CDL has put in place internal audits to ensure the Company's EHS management systems conform to the ISO 14001, OHSAS 18001 and ISO 9001 international standards.

ENVIRONMENTAL ASPECTS

As part of the ISO 14001 framework, CDL identifies environmental aspects for our business operations that can potentially have significant environmental impacts. The risk level of environmental aspect is determined using a risk assessment technique consisting of the likelihood of the occurrence, severity of the impact and control measures.

CDL actively evaluates the key significant environmental aspects at our worksites, investment buildings and Corporate Office. From our continuous assessment, we know that energy use, water use, waste generation and carbon emissions are the most significant environmental aspects. CDL also includes other aspects such as paper use, waste paper recycling, noise, biodiversity and safety management.

CDL regularly implements and evaluates measures to mitigate all significant environmental impacts. This is done through setting objectives and

targets, establishing programmes and/or putting in place work procedures and work instructions.

Energy

CDL promotes the use of electricity directly from the power grid supply through a sub-station at the construction stage whenever possible. This significantly reduces the use of diesel generators. The use of electricity grid power supply generates lower emissions of GHG, sulfur oxides, nitrogen oxides and particulates to the environment as compared to using a generator.

We also explore adopting green technologies to reduce energy consumption. For example, CDL has been harnessing renewable energy for our developments through the implementation of solar and Building Integrated Photovoltaic (BIPV) panels. Another innovative technology incorporated into our private housing properties, such as Volari, include heat recovery from the air-conditioning system to generate hot water for household use.

CDL has also introduced various energy conservation and efficiency improvements projects in our investment properties. For instance, the 2012 upgrading of the chiller plant, replacement of less efficient lightings and adopting the use of motion sensors for Republic Plaza will reap an estimated energy savings of 3,676,580 kWh per year. This is equivalent to the average annual electricity used by 830 Singapore households⁽¹²⁾. For some investment properties, sensors are installed to monitor carbon dioxide levels in offices, and carbon monoxide levels in the basement car park. Since 2007, the Company's '1 °C Up Programme' has become a standard BAU practice at CDL buildings, keeping indoor temperatures at 24 °C on average.

Water

CDL's new developments are conceptualised with a strong focus

on water sustainability right from the design stage and construction process to the building's water efficient features. Responsible water management will benefit our tenants and homebuyers through cost savings and reducing the risk of exposure to future potential legislations.

Some examples include, the Silt Water Treatment cum Water Recycling System introduced since 2004 for general cleaning across all worksites, water efficient sanitary fixtures and fittings which have 'very good' or 'excellent' Water Efficiency Labelling Scheme (WELS) ratings and the use of rainwater harvesting for irrigation of plants.

Waste and Resource Management

CDL has also undertaken various reduction strategies to mitigate our impact on the environment and our use of natural resources. Efficient construction methods, such as the use of prefabrication and precast construction innovations are used at worksites to improve on-site management as well as to promote environmental conservation and reduce material waste. These construction building components are then transported to the worksite to be assembled systematically. For instance, the use of prefabricated bathroom units designed to reduce construction waste have become a standard green feature in all CDL new developments wherever possible.

Construction waste generated from our worksites is also monitored and since December 2009, a Construction and Demolition Waste Policy has been put in place for the adoption of sustainable construction practices through the use of sustainable products and implementation of construction waste recycling. Waste generated is non-hazardous in nature and disposed in accordance with NEA's waste management system.

In the developments that we manage, various initiatives to encourage tenants to manage resource usage have also been implemented. Aside from a paper

⁽¹²⁾ The average annual electricity consumption of households in public housing is 4,428 kWh. Source: Singapore Energy Statistics 2012, www.ema.gov.sg.

recycling programme that all CDL buildings have, new tenants are also presented with a Project: Eco-Office Kit to promote the 3Rs – reuse, reduce and recycle. Recycling corners are strategically located and accessible to tenants to promote and cultivate the practice of recycling.

Green Procurement

Where it is feasible, CDL has used recycled materials as an environmentally-friendly alternative in the construction of our developments. For example, a wide range of sustainable recyclable building materials such as green concrete was used for the entire structure of 11 Tampines Concourse. Composite wood, which has over 30% recycled timber content, is commonly used for external decking in CDL developments.

CDL's marketing communications publications use eco-friendly paper, preference being for paper certified by the Forest Stewardship Council (FSC). For example, the CDL Annual Report and Sustainability Report are printed on FSC certified paper.

CDL has set specific environmental objectives and targets at our worksites, investment buildings and the Corporate Office. A Management Review is conducted annually to assess the environmental performance for continual improvement. We monitor the usage of resources such as electricity, water and paper across our operational departments and targets are reviewed annually and areas for improvements are highlighted.

For more information on the environmental objectives, targets and performance, please see page 52.

CDL 5-STAR EHS ASSESSMENT SYSTEM AND EHS EXCELLENCE AWARDS

The CDL 5-Star EHS Assessment System is an independent audit tool to assess, measure and improve our builders' EHS management and performance. Pioneered in 2001, CDL was the first private developer to proactively structure a comprehensive,

audited and appraised approach towards EHS involving all our builders.

Each quarter, all CDL builders undergo EHS inspections and audits conducted by an independent EHS audit firm recognised by MOM to appraise the builders on a scale of one to five stars. The results are presented to the top management of the builders during the quarterly CDL 5-Star EHS Seminars. These seminars are a valuable platform to promote sharing of best practices and peer learning to encourage better EHS performance amongst the builders.

The CDL 5-Star EHS Award was introduced in 2005 to recognise builders who have excelled in the CDL 5-Star EHS Assessment over a one year period. The Assessment System and Award have been instrumental in influencing and encouraging CDL's builders and consultants to monitor and improve their EHS performance.

The Award comprises the CDL EHS Excellence Award and the CDL Productivity Excellence Award, which was introduced in 2011, in line with the national productivity drive. In 2012, the inaugural CDL Workers' Welfare Award was introduced. This new Award is part of our continuous effort to align business practices with ISO 26000.

Whilst we do not encourage builders to have workers housing on-site, we understand that there might be circumstances where this is necessary. As such, following the issuance of our corporate statement on human rights in 2012, this area was subsequently included into the CDL 5-Star EHS Assessment (where applicable) after a trial run and refinement of criteria. We recognise that the physical and mental well-being of workers is important because a healthy and well-rested worker is an alert, productive and vigilant one, which in turn, can help to minimise workplace accidents.

The current assessment criteria takes the lead from relevant government agency requirements and goes beyond local compliance¹³⁾ to ensure that in

the instances where there are workers' housing on-site, workers employed are treated with dignity and respect.

To further encourage builders to take this aspect seriously, CDL expanded our award scope to include this new category. The CDL Workers' Welfare Award recognises builders who are committed and have taken deliberate efforts to create and provide a safe, hygienic and congenial place for its workers to reside in. The key areas of assessment include general security, lodging, housekeeping, toilets and sanitation, recreational benefits, education and communication.

For its exemplary efforts, Dragages Singapore Pte Ltd was honoured with this inaugural Award for two of its CDL projects, Cube 8/368 Thomson and Blossom Residences. As an employer, Dragages cares for their workers' welfare and ensures that the workers' quarters are clean, well-maintained with more than adequate living and sanitary facilities and good security features.

With our builders' support, CDL's environmental performance at worksites have remained fairly consistent while obtaining commendable results in other key aspects. This includes an Accident Frequency Rate (AFR) of 0.14 accidents per million man-hours worked for the year 2012, which is significantly lower than the industry average AFR of about 1.70 over the same period.

CDL's influence has also inspired our builders and key consultants to establish their own EHS management systems and more than 50% of them have obtained the ISO 14001 and/or OHSAS 18001 standards. All main builders of CDL projects are required to attain both certifications.

¹³⁾ Local legislations require that quarters on construction sites have to meet the technical requirements of relevant government agencies, such as SCDF, NEA and BCA to ensure safe and hygienic living conditions. More details can be found at www.mom.gov.sg.



MAKING THE DIFFERENCE



As one of Singapore's largest companies by market capitalisation, CDL's success is measured not merely by financial bottom line, but also by our environmental and social performance. We aspire to make a difference in the way we conduct our business. Our efforts have made CDL the first Singapore company listed on three global sustainability benchmarks – FTSE4Good Index Series since 2002, Global 100 Most Sustainable Corporations in the World since 2010 and Dow Jones Sustainability Indexes since 2011.

SUMMARY OF FINANCIAL, SOCIAL AND ENVIRONMENTAL PERFORMANCE

FINANCIAL IMPACT

5-Year Financial Highlights

YEAR	2008	2009	2010 ⁽³⁾	2011	2012
Revenue (\$million)	2,945	3,273	3,103	3,280	3,354
Profit before tax (\$million)	834	832	1,067	1,136	960
Profit for the year attributable to owners of the Company (\$million)	581	593	784	799	678
Net gearing ratio	0.48	0.40	0.29	0.21	0.25
Return on equity (%)	10.7	9.9	12.5	11.7	9.3
Net asset value per share (\$)	5.97	6.57	6.89	7.51	8.03
Basic earnings per share (cents)	62.5	63.8	84.8	86.4	73.2
DIVIDENDS					
(A) ORDINARY DIVIDEND (GROSS) PER SHARE					
• Final (cents)	7.5 ⁽¹⁾	8.0 ⁽¹⁾	8.0 ⁽¹⁾	8.0 ⁽¹⁾	8.0 ⁽²⁾
• Special Interim (cents)	-	-	-	5.0 ⁽¹⁾	-
• Special Final (cents)	-	-	10.0 ⁽¹⁾	5.0 ⁽¹⁾	5.0 ⁽²⁾
(B) PREFERENCE DIVIDEND (NET) PER SHARE (CENTS)					
	3.90 ⁽¹⁾				

Notes: ⁽¹⁾ Dividends declared were tax-exempt (one-tier).

⁽²⁾ Final and special final tax-exempt (one-tier) ordinary dividends for the year ended 31 December 2012, which had been approved by the ordinary shareholders at the Annual General Meeting held on 24 April 2013, were paid on 20 May 2013.

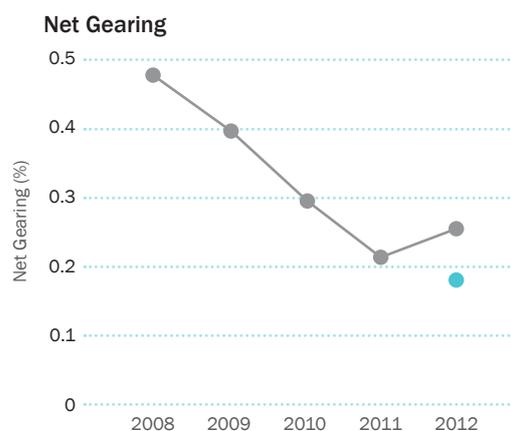
⁽³⁾ Certain accounting policies or accounting standards had changed in the financial year 2011. Only the financial information presented above for year immediately preceding 2011 had been restated to reflect the relevant changes in accounting policies or accounting standards.

Capital Management

	AS AT 31/12/12	AS AT 31/12/11
Cash and cash equivalents (\$million)	2,162 ^(a)	2,603
Net borrowings (\$million)	2,357	1,816
Net gearing ratio ^(b)	0.25	0.21
Net gearing ratio if fair value gains on investment properties are taken in	0.18	0.15
Interest cover ratio (times)	17.4	21.8

^(a) Includes cash and cash equivalents classified as assets held for sale.

^(b) Excludes fair value gains on investment properties as the Group's accounting policy is to state its investment properties at cost less accumulated depreciation and impairment losses.



● If fair value gains on investment properties are taken in.

CDL's financial information is described in more detail in our Annual Report 2012. Current and previous reports are available online at www.cdl.com.sg.

ENVIRONMENTAL IMPACT

	2008	2009	2010	2011	2012
ENERGY USED					
CDL Worksites (kWh/m ²)	43	46	27	49	38
CDL Worksites (k kWh)	9,860	8,248	4,613	5,150	5,838
CDL Commercial Buildings (kWh/month/m ²)	18.84	17.70	16.73	16.39	15.16
CDL Industrial Buildings (kWh/month/m ²)	9.36	9.75	9.01	8.16	7.28
CDL Commercial and Industrial Buildings (k kWh)	54,993	52,690	66,568	60,567	56,213
CDL Corporate Office (kWh/m ²)	93	91	86	84	88
CDL Corporate Office (k kWh)	570	558	528	513	596
CDL Total Energy Used (k kWh)	65,422	61,496	71,708	66,230	62,647
WATER USED					
CDL Worksites (m ³ /m ²)	0.68	0.80	1.10	1.20	1.26
CDL Worksites (m ³)	154,273	150,176	182,859	127,426	191,160
CDL Commercial Buildings (m ³ /month/m ²)	0.16	0.19	0.14	0.14	0.15
CDL Industrial Buildings (m ³ /month/m ²)	0.09	0.09	0.08	0.08	0.08
CDL Commercial and Industrial Buildings (m ³)	478,363	453,382	581,784	552,356	564,324
CDL Corporate Office (m ³) ⁽¹⁾	NA	NA	NA	2,737	3,065
CDL Total Water Used (m ³) ⁽²⁾	632,636	603,558	764,643	682,519	758,549
NEWater Used at CDL Commercial Buildings (m ³)	84,016	101,412	123,344	136,269	125,981
CONSTRUCTION WASTE					
Generated at CDL Worksites (kg/m ²)	59.87	61.70	46.50	24.50	43.92
Generated at CDL Worksites (tonnes)	13,587	11,160	8,071	2,552	6,671
PAPER RECYCLING					
CDL Commercial and Industrial Buildings (kg)	384,047	320,233	374,050	361,397	647,789
Tenants Participation Rate at CDL Commercial and Industrial Buildings (%)	88	>90	>90	>90	>90
PAPER USE					
CDL Corporate Office (number of A4 reams)	4,796	4,395	3,774	3,488	3,544
CARBON EMISSIONS⁽³⁾					
CDL Worksites (tonnes CO ₂)	5,159	4,137	2,196	2,452	3,004
CDL Commercial and Industrial Buildings (tonnes CO ₂)	28,778	26,429	31,693	28,836	28,927
CDL Corporate Office (tonnes CO ₂)	298	280	251	244	307
CDL Business Travel (tonnes CO ₂)	132	78	81	57	65
Total Carbon Emissions (tonnes CO ₂)	34,367	30,924	34,221	31,589	32,303
COMPLAINTS ON CONSTRUCTION NOISE					
CDL Worksites (number)	2	3	4	2	3

Notes: ⁽¹⁾ Water used at CDL Corporate Office was tracked from 2011.

⁽²⁾ Total Water Used from 2007 to 2010 excludes Corporate Office.

⁽³⁾ Carbon Emissions preceding 2012 have not been restated to reflect changes in Electricity Grid Emission Factors.

SOCIAL IMPACT

	2008	2009	2010	2011	2012
Employee Turnover Rate (%)	17.1	10.7	13.7	14.4	17.9
Employee Satisfaction (%) ⁽⁴⁾	≥90	≥90	≥90	NA	NA
Employee Effective Index (%) ⁽⁴⁾	NA	NA	NA	69	NA
Medical Leave Taken Per Employee (number of days)	≤4	≤4	≤4	4.5	3.8
Gender Diversification: Females as Heads of Department (%)	57	57	55	50	46
Average Service Per Employee (number of years)	8.1	8.4	8.8	8.9	8.6
Total CSR and Environment-related Training (hours)	1,075	>3,000	3,694	3,287	1,804 ⁽⁵⁾
EMPLOYEE VOLUNTEERISM					
Participation Rate (%)	66	85	60	71	89
Participation Rate (hours)	2,644	5,524	2,894	2,838	3,589
PRODUCT QUALITY AND SUSTAINABILITY					
New Developments to be Well-ranked on CONQUAS	Yes	Yes	Yes	Yes	Yes
New Developments to be Certified BCA Green Mark Gold and Above ⁽⁶⁾	Yes	Yes	Yes	Yes	Yes
HEALTH AND SAFETY					
(a) At the Corporate Office: • Injury rate and occupational disease (number)	0	0	0	0	0
(b) At CDL Worksites: • Accident Frequency Rate (AFR) (number of workplace accidents per million man hours worked)	0.52	0.38	0.23	0.11	0.14
• Injury Rate (number of fatal and non-fatal workplace injuries per 100,000 persons employed)	273	100	63	30	44

Notes: ⁽⁴⁾ From 2011, an Employee Effective Index has been put in place. The Employee Effective Survey takes place once every two years and we are in the midst of conducting our 2013 survey.

⁽⁵⁾ From 2012, only core subjects identified in ISO 26000 were identified as CSR and Environment-related training.

⁽⁶⁾ All new developments to be certified BCA Green Mark Gold^{plus} and above from 2011.

SUSTAINABILITY RANKINGS, BENCHMARKS AND COMMITMENTS

	2008	2009	2010	2011	2012
SUSTAINABILITY RANKINGS AND BENCHMARKS					
Asian Sustainability Rating™ (%)	66	74	84	81	NA [#]
Carbon Disclosure Project	Participated since 2007 and disclosure to the public from 2009				
Dow Jones Sustainability Indexes (DJSI World and DJSI Asia Pacific)	Listed since 2011				
FTSE4Good Index Series	Listed since 2002				
Global 100 Most Sustainable Corporations in the World (ranking)	NA	NA	81	100	62
Singapore Quality Class	Certified since 2009*				
SUSTAINABILITY COMMITMENTS AND CERTIFICATIONS					
Anti-Corruption & Compliance Declaration	Signatory since 2009				
Caring for Climate Statement	Signatory since 2008				
Securities Investors Association (Singapore) - SIAS Corporate Governance Statement of Support	Signatory since 2010				
UN Global Compact	Signatory since 2005				
ISO 9001 (15 CDL Buildings)	Since 2007				
ISO 14001 (Property Development and Project Management)	Since 2003				
ISO 14001 (Corporate Management and Operations)	Since 2008				
OHSAS 18001 (Property Development and Project Management)	Since 2003				
OHSAS 18001 (Property Management)	Since 2011				
	2009	2010	2011	2012	2013
SUSTAINABILITY REPORTING					
Global Reporting Initiative (GRI) (Application Level Check for CDL's Sustainability Reports)	B+	B+	B+	A+	A+
AA1000 Assurance Standard (AA1000AS 2008 applied to CDL's Sustainability Reports)	Performance information only with reference to AA1000AS	Type 2	Type 2	Type 2	Type 2
ISO 26000:2010 Guidance on social responsibility	Strategic alignment since 2009				

[#] The Asian Sustainability Rating™ was not conducted in 2012.

* Recertified in 2012.

KEY CSR AWARDS & ACHIEVEMENTS

REGIONAL AND INTERNATIONAL ACHIEVEMENTS	
2012 ASIA PACIFIC GREEN BUILDER OF THE YEAR	CDL was conferred this award at the 2012 Frost & Sullivan Asia Pacific Green Excellence Awards. Presented by Frost & Sullivan, an international research and growth consultancy, the Awards celebrate companies that have excelled in green product and technology innovation, and service achievements across various industries.
BCI ASIA TOP 10 DEVELOPERS AWARD (SINCE 2011)	CDL was once again accorded Singapore's BCI Asia Top 10 Developers Award 2012, further reaffirming CDL's efforts in shaping and influencing the built environment. The BCI Asia Awards, which is now in its 7 th year, is a regional event honouring the best in the building and property development in Hong Kong SAR, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.
CHANNEL NEWSASIA GREEN LUMINARY AWARD 2012	This award identifies the Asian company that leads in employing green practices in its main business practice. CDL received this award as recognition of its conscientious efforts to be environmentally-friendly through its business operations and community programmes.
DOW JONES SUSTAINABILITY INDEXES (SINCE 2011)	Listed as an index component on the Dow Jones Sustainability Indexes (DJSI World and DJSI Asia Pacific). DJSI is one of the most creditable reference points in sustainability investing for investors and companies globally.
FIABCI PRIX D'EXCELLENCE AWARDS 2012	CDL's concerted efforts and investment in green building infrastructure and technology was recognised once again at the prestigious FIABCI Prix d'Excellence Awards 2012 with 11 Tampines Concourse winning the Sustainable Development Category.
FTSE4GOOD INDEX SERIES (SINCE 2002)	Amongst an elite group of companies worldwide that meets globally recognised corporate responsibility standards.
GLOBAL 100 MOST SUSTAINABLE CORPORATIONS IN THE WORLD	2010 (81 st), 2011(100 th), 2012 (62 nd) CDL was once again included in this prestigious global ranking announced annually at the World Economic Forum, Davos. CDL's ranking on this stringent global listing also improved from 100 th to 62 nd position.
INDONESIA SUSTAINABILITY REPORTING AWARD 2012	CDL emerged winner of the Best Sustainability Report 2011 from Singapore at The National Center for Sustainability Reporting's (NCSR) 8 th Indonesia Sustainability Reporting Awards. NCSR is a non-profit organisation based in Indonesia which honours organisations that publish and develop Sustainability Reports based on the Global Reporting Initiative (GRI) Framework.
GLOBAL SUSTAIN ABILITY LEADERS 2012	CDL Managing Director Mr Kwek Leng Joo was included in the 100 Global Sustain Ability Leaders 2012 list which is produced by Sustain Ability Showcase Asia and ABC Carbon. The list honours 100 leaders globally who have provided leadership in the field of sustainability.
ROYAL SOCIETY FOR THE PREVENTION OF ACCIDENTS (ROSPA): GOLD MEDAL AWARD (SINCE 2006)	CDL is the only private property developer in Singapore to be conferred the RoSPA Gold Medal Award for excellence in Occupational Health and Safety management in the workplace. RoSPA is a non-profit organisation based in the United Kingdom which focuses on accident prevention and raising health and safety standards. The Gold Medal Award is presented to organisations which have achieved between five and nine consecutive Gold Awards.
TRUSTED BRANDS 2012: PROPERTY DEVELOPER CATEGORY	Launched in 1999, the Reader's Digest Trusted Brands Survey in Asia is now in its 14 th year and recognises brands which reflect trustworthiness and credibility, deliver quality, value, understanding of customer needs, innovation and corporate social responsibility. A total of 8,000 respondents in Asia, including 1,000 from Singapore, were polled in the Reader's Digest Annual Consumer Brand Preference Survey 2012 and CDL was voted as a Trusted Brand Gold Winner under the Property Developer Category in Singapore. The Reader's Digest Trusted Brands are voted solely by consumers and the achievement of this award is testimony of the strong trust and confidence that consumers have in CDL.

LOCAL ACHIEVEMENTS

BUILDING AND CONSTRUCTION AUTHORITY (BCA) AWARDS 2012	CDL emerged as the most accorded private property developer at the BCA Awards 2012. CDL added another 25 awards to the honours roll, including 13 Green Mark awards, amassing a portfolio of 62 Green Mark projects to its name, of which 21 are of the highest-tier Platinum, the most of any private developer on both counts.
THE BRITISH CHAMBER OF COMMERCE'S 13TH ANNUAL BUSINESS AWARDS – EXCEPTIONAL CSR PRACTICE CATEGORY	CDL, a first time participant, took home the top honour. CDL was judged on its clear explanation of its overall business and CSR initiatives as well as the effectiveness of its CSR efforts (demonstrated through measurable results) and future plans.
2012 DISTINGUISHED PATRON OF THE ARTS AWARD	CDL was conferred the Distinguished Patron of the Arts Award in recognition of continuous and generous contributions to Singapore's vibrant arts and culture scene.
SINGAPORE HEALTH (HELPING EMPLOYEES ACHIEVE LIFE-TIME HEALTH) AWARD 2012 – PLATINUM	CDL was conferred a Platinum Award for the Singapore HEALTH Award 2012 for the second time. The first Platinum Award was conferred in 2008. The Platinum status is the highest level attainable. This Award is presented by the Health Promotion Board to organisations with commendable Workplace Health Promotion programmes.
SECURITIES INVESTORS ASSOCIATION SINGAPORE (SIAS) INVESTORS' CHOICE AWARDS 2012	CDL received the Singapore Corporate Governance Award 2012 – 2 nd Runner Up (Big Cap) and Singapore Most Transparent Company Award – Runner Up (Real Estate Category).
SUSTAINABILITY REPORT 2012	Titled 'Ideas, Initiatives, Impacts', this report is the first Level A+ Sustainability Report checked by the GRI using the GRI G3.1 guidelines and the Construction and Real Estate Sector Supplement published by a Singapore property developer.
WORKPLACE SAFETY AND HEALTH AWARDS 2012	The first private property developer to receive the Workplace Safety and Health Developer Award, CDL is a proud recipient of the distinguished Developer Award for the sixth time. Through CDL's continued efforts in engaging stakeholders to consistently adopt a conscious EHS culture, three of its project sites were also accorded the Safety and Health Award Recognition for Projects (SHARP) Award.

* This list is not exhaustive. For more listings and details of CDL's CSR milestones, awards and accolades from 1997 to 2013, please refer to www.cdl.com.sg.

PEOPLE ENGAGEMENT

CDL's corporate philosophy is to care for employees' well-being while providing support and resources for employees to achieve their potential. Through satisfying employee needs for work-life harmony, CDL also benefits through high retention and high staff engagement. This, in turn, drives productivity and creates a more effective workforce.

LOCAL JOB CREATION

	2008	2009	2010	2011	2012
EMPLOYEES (NUMBER)	345	359	350	362	379

As at 31 December 2012, out of 379 employees, 100% of senior management employees (comprising Assistant General Manager level and above) are all Singaporeans or Permanent Residents, hired from our local community.

FAIR EMPLOYMENT AND EQUAL OPPORTUNITIES

CDL monitors and tracks incidences of discrimination since 2008 and there have been no reported cases.

We also recognise that there are some employees who need to attend to special family needs. CDL allows employees' conversion to part time employment and there are currently three employees working on a part time arrangement. Benefits provided to part time employees are similar to full time employees.

MORE THAN 50% OF OUR EMPLOYEES HAVE BEEN WITH CDL FOR MORE THAN FIVE YEARS.

EMPLOYEE RETENTION AND SATISFACTION

CDL's success in employee engagement is evident from the length of service of our employees. Our employee's average tenure is about 8.6 years (2011: 8.9 years). This bears testimony to CDL's efforts in creating an engaged, committed and motivated workforce. CDL's employee turnover continued to remain significantly lower than the national average. More than 50% of our employees have been with CDL for more than five years.

CDL has also been organising Employee Engagement Surveys (EES) to acquire insights into areas of potential employee-related concerns in order to proactively address them. In 2011, the ESS was conducted by a third party consultant for greater impartiality. CDL achieved a score of 69% which is 6% higher than Singapore's norm for level of Employee Effectiveness Index in 2011. We are currently conducting our EES and results of this survey will be ready in mid-2013.

EMPLOYEE TURNOVER RATE	2008	2009	2010	2011	2012
CDL (%)	17.1	10.7	13.7	14.4	17.9
NATIONAL AVERAGE (%) ⁺	23.7	21.3	24.0	24.0	25.2

⁺ This is the national average based on 2012 Labour Market Report issued by Ministry of Manpower in March 2013.

EMPLOYEE TRAINING AND DEVELOPMENT

A competent workforce is integral to achieving and sustaining continuous improvement. It is CDL's on-going commitment to develop our people holistically through multiple avenues. Training needs analysis is conducted annually to determine the types of training interventions necessary to level up individual competencies. In 2012, employees clocked over 13,400 training hours, of which about 1,800 hours was dedicated to CSR and EHS related training.

CDL also embarked on a project to identify new competencies which are important for the Company. To encourage employees to upgrade their knowledge and skill sets, CDL sponsored 12 employees in 2012 in their pursuit of upgrading their educational qualifications.

CDL also believes in nurturing and investing in talents even before they join the organisation. CDL partners with BCA to offer the BCA-CDL Built Environment Undergraduate Scholarship to young adults who excel in their academic studies and are keen to pursue a career with CDL after graduation. Since this initiative started in 2001, CDL has offered seven local undergraduate scholarships.

In addition, CDL partners with local tertiary education institutions in offering meaningful student internship opportunities to students who are interested in the property industry. In 2012, CDL offered 16 internship opportunities to promising young talents.

HEALTH AND SAFETY

At CDL's corporate office, we had zero occupational diseases in 2012. There were no lost days due to work-related fatalities and the average medical leave taken per employee per year was less than four days.

6% of CDL's employees at HQ are involved in workplace health and safety committees.

CDL remains committed to achieving the vision of a safe and healthy workplace for everyone and upholding a good safety record. Over the years, CDL's Accident Frequency Rate (AFR) and Workplace Injury Rate remained below the construction industry's average value as a result of the various safety promotions and engagement with our builders and their workers at the worksites.

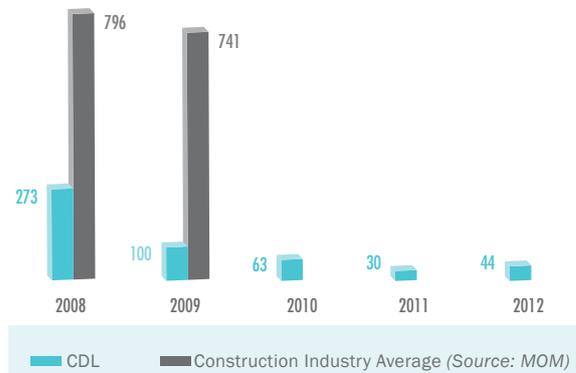
ACCIDENT FREQUENCY RATE⁽¹⁴⁾ AT WORKSITES

No. of workplace accidents per million manhours worked



WORKPLACE INJURY RATE⁽¹⁵⁾ AT WORKSITES

No. of fatal and non-fatal workplace injuries per 100,000 persons employed



HUMAN RIGHTS

In 2012, no incidents and grievances of discrimination, child labour and forced labour were reported at CDL.

PRODUCT STEWARDSHIP

PRODUCT RESPONSIBILITY AND QUALITY

CDL has been a leader of Singapore's built environment and championing the development of more sustainable buildings even before the introduction of BCA's Green Mark in 2005. As the developer with the most number of Green Mark Platinum awarded properties, CDL has the honour of being the only developer conferred the BCA Green Mark Platinum Champion Award. Our latest completed cluster of developments, W Singapore – Sentosa Cove, The Residences at W Singapore – Sentosa Cove, Quayside Isle and The Oceanfront @ Sentosa Cove, bear the distinction of being the only Green Mark Platinum developments in Sentosa Cove.

Collectively the estimated savings of these four properties amount to almost 11,000,000 kWh per year or over \$3 million for energy and over 140,000 m³ or more than \$165,000 for water, based on current tariff rates. The energy saved is approximately equivalent to the average annual electricity used by almost 2,500 Singapore households.

Annually, BCA publishes the overall CONQUAS scores of projects. In 2012, CDL completed three projects and two of these made it to the 'Top 3 List' for their respective categories.

⁽¹⁴⁾ AFR refers to the number of workplace accidents per million manhours worked. Figures used are incident based. For details, please refer to www.mom.gov.sg.

⁽¹⁵⁾ Workplace Injury rate refers to the number of fatal and non-fatal workplace injuries per 100,000 persons employed. Figures used are victim-based. Construction Industry Average figures since 2010 have not been published by MOM. For details, please refer to www.mom.gov.sg.

DESCRIPTION	CONQUAS SCORE	RANKING
VOLARI	95.6	3 (Category: Private Housing)
W SINGAPORE – SENTOSA COVE	97	1 (Category: Commercial)
QUAYSIDE ISLE ⁺	-	-

⁺ The CONQUAS Score was not yet available at time of print.

BCA Green Mark Awards (2005 – 2012)

GREEN MARK PLATINUM		
<ul style="list-style-type: none"> • 368 Thomson • City Square Mall (in new and existing building categories)^{****} • Cliveden at Grange • Cube 8 • Fuji Xerox Towers^{***} • H₂O Residences • HAUS@SERANGOON GARDEN • Hundred Trees 	<ul style="list-style-type: none"> • Quayside Isle • Redevelopment of Lucky Tower at 57 Grange Road • Republic Plaza^{****} • South Beach Commercial • South Beach Residential • 7 & 9 Tampines Grande (in new and existing building categories)^{****} 	<ul style="list-style-type: none"> • The Glyndebourne • The Oceanfront @ Sentosa Cove • The Residences at W Singapore – Sentosa Cove • The Solitaire • Tree House • Volari • W Singapore – Sentosa Cove
GREEN MARK GOLD ^{PLUS}		
<ul style="list-style-type: none"> • 11 Tampines Concourse (in new and existing building categories)^{****} • Blossom Residences • Buckley 18[*] • Buckley Classique • CDL Office – City House, Levels 2 & 5 (Green Mark for Office Interior)^{****} 	<ul style="list-style-type: none"> • CDL Office – City Square Mall Management Office (Green Mark for Office Interior) • City Square Residences • King's Centre • Leonie Hill Condominium • Livia • Manulife Centre^{***} • NV Residences 	<ul style="list-style-type: none"> • Pasir Ris Grove (Parcel 3) • Shelford Suites • St. Regis Hotel & Residences, Singapore • The Arte • The Palette • The Rainforest • UP@Robertson Quay • Wilkie Studio
GREEN MARK GOLD		
<ul style="list-style-type: none"> • Botannia • CDL Office – City House, Levels 3, 4 and 22 (Green Mark for Office Interior) • CDL Office – Republic Plaza, Level 36 (Green Mark for Office Interior) • Central Mall (Office Tower)^{**} 	<ul style="list-style-type: none"> • City House^{**} • City Square Shophouses at Jalan Besar • Exchange Tower, Bangkok^{****} • Millennium Residences @ Sukhumvit, Bangkok • Monterey Park Condominium • New Tech Park⁺ 	<ul style="list-style-type: none"> • Nouvel 18 • One Shenton • Palais Renaissance^{**} • Parc Emily • Residences @ Evelyn • Savannah CondoPark • The Sail @ Marina Bay • Tribeca
GREEN MARK CERTIFIED		
<ul style="list-style-type: none"> • Butterworth 33 	<ul style="list-style-type: none"> • Pantech 21⁺ 	<ul style="list-style-type: none"> • The Pier at Robertson

^{*} Project managed by CDL.

⁺ Recertified in 2009

^{**} Recertified in 2010

^{***} Recertified in 2011

^{****} Recertified in 2012

Green Mark Awards for 2013 can be found at www.cdl.com.sg.

THE AVERAGE SATISFACTION LEVEL AMONGST ALL HOMEBUYERS SURVEYED WAS CLOSE TO 85%. IN ADDITION, A LARGE NUMBER OF HOMEBUYERS ALSO INDICATED THAT THEY WOULD RECOMMEND CDL PROPERTIES TO THEIR FRIENDS AND RELATIVES.

CUSTOMER SATISFACTION

In 2012, over 200 of our Livia homebuyers participated in the Customer Satisfaction Survey.

Overall, our homebuyers surveyed expressed high levels of satisfaction with their entire service experience, which ranges from finishes and workmanship, overall construction quality, green features provided in the home, facilities and landscaping at communal areas, responsiveness of CDL employees throughout the handover process and management of defects rectification.

The average satisfaction level amongst all homebuyers surveyed was close to 85%. In addition, a large number of homebuyers also indicated that they would recommend CDL properties to their friends and relatives.

HOMEBUYERS' SATISFACTION		%
HOMEBUYERS' OVERALL LEVEL OF SATISFACTION		84.6
HOMEBUYERS' LEVEL OF SATISFACTION — RECOMMEND TO FRIENDS		66.3
TENANTS' SATISFACTION		%
OFFICE		91%
INDUSTRIAL		91%
RETAIL		93%

In 2012, there were no complaints regarding breaches of customer privacy and loss of customer data.

ETHICAL MANAGEMENT

CDL had zero incidents of anti-competitive behaviour, fraud and monopoly practices within the Company in 2012. There was, however, an investigation involving one employee for not complying with our Code of Business Conduct and Ethics. The employee involved was subsequently terminated for unethical behaviour and the case is now under the purview of the Corrupt Practices Investigation Bureau⁽¹⁶⁾.

We adopt a 'zero-tolerance' approach against all forms of corruption, bribery and extortion. In line with this commitment to maintain high ethical standards which is integral to our corporate identity and our business, three corporate policies covering anti-corruption, fraud and competition were adopted in 2012. These policies were disseminated and all employees were required to attend training sessions to familiarise themselves with the important information and compliance issues regarding each policy. The policies and guidelines are also available on our intranet.

There were no incidents of non-compliance with laws and regulations for which significant fines or non-monetary sanctions were issued to the Company. There has also not been any reported incidents of non-compliance with the Singapore Code of Advertising Practice.

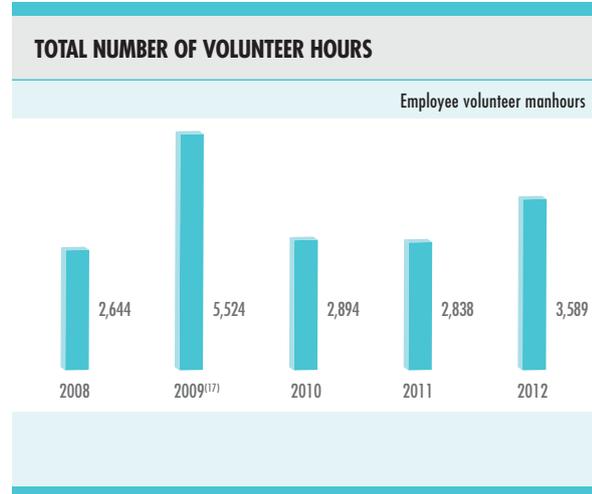
COMMUNITY PARTNERSHIP

CDL's contributions to active citizenry go beyond philanthropy. To effectively engage the community, we have been a strong supporter of the Government's 3P Partnership model with efforts that encompass the People, Private and Public sectors to ensure that our programmes are meaningful and impactful.

⁽¹⁶⁾ The Corrupt Practices Investigation Bureau is an independent body which investigates and aims to prevent corruption in the public and private sectors in Singapore, and reports directly to the Prime Minister's Office.

Employee participation in volunteer activities organised by the Company has increased in 2012, attributed to two major community events that rallied Company-wide participation from employees: the Assisi Hospice Charity Fun Day and Staff Day. For our Staff Day held in November 2012, employees helped refurbish and paint one-bedroom rental homes occupied by the elderly and low-income families in the Marsiling community. Our employees also painted the mural walls at the playground to add some colour and vibrancy to the neighbourhood. CDL's involvement in this neighbourhood is a partnership with the North West Community Development Council (CDC) under the North West Care & Repair Programme to improve the lives and social wellness of residents in this district. CDL has adopted two rental blocks as part of our community efforts.

EMPLOYEE VOLUNTEER PARTICIPATION RATE		%
2008		66%
2009 ⁽¹⁷⁾		85%
2010		60%
2011		71%
2012		89%



CONTRIBUTING TOWARDS A BETTER SOCIETY	
ARC CHILDREN'S CENTRE	Arc is a day care facility that provides assistance to children with cancer or other life-threatening illnesses. CDL has been a corporate partner since its inception in August 2011 and our volunteers are actively involved in children's outings and enrichment programmes.
ASSISI HOSPICE	Assisi Hospice is an outreach service of Mount Alvernia Hospital that provides palliative care to adults with life-limiting illnesses. A long-standing partner of Assisi Hospice since 1999, CDL, together with our subsidiary, CBM Pte Ltd, and our sister hotels collaborated to organise the annual Charity Fun Day. In the spirit of volunteerism and charity, 240 CDL staff volunteers enthusiastically came out in full force in 2012. In all, the carnival helped Assisi Hospice raise over \$900,000. The money raised will go towards the expansion and improvement of the Hospice's three core services of in-patient care, home care and day care centres.
LIONS BEFRIENDERS & HENDERSON SENIOR CITIZENS' HOME	CDL has, in partnership with the Lions Befrienders, been involved in a food distribution and befriending programme for the elderly since 1999. The programme reaches out to over 40 beneficiaries. Aside from monthly visits, CSC volunteers also organise celebratory outings for more than 60 elderly from Henderson Senior Citizens' Home.
VIRIYA COMMUNITY SERVICES & SOUTH EAST COMMUNITY DEVELOPMENT COUNCIL (CDC)	Viriya Community Services provides social services to low income families in Singapore. CDL has been supporting this NGO for over seven years in their Character Building Programme for students. Aside from these on-going sessions and outings, CSC volunteers also organised an overnight camp for the youth and children to encourage team behaviour. The initiative has also been extended to the South East CDC in 2012.

⁽¹⁷⁾ The extraordinary employee volunteer manhours and employee volunteer participation rate achieved in 2009 was due to the significant addition of community activities organised in celebration of CSC's 10th anniversary.

Beyond our direct engagement and contribution through CSC — our employee volunteering platform since 1999, CDL has supported numerous awareness-raising events and community projects. The Company has encouraged, in particular, projects with clear developmental objectives, direct engagement with beneficiaries, dialogue with stakeholders and measurable as well as sustained outcomes.

CHAMPIONING ENVIRONMENTAL AWARENESS

BCA-CDL GREEN SPARKS COMPETITION 2012/13

This initiative aims to engage local tertiary students in the national effort to green the built environment and to raise awareness of best green building practices and solutions amongst future practitioners. 2012 saw 23 teams of close to 120 students participating, a 15% increase from the inaugural competition in 2010.

CDL E-GENERATION CHALLENGE 2012

An eco-themed 'Amazing Race'-style national competition targeted at youths between the ages of 17 and 25. Participants face various green challenges in the form of tasks, quizzes and activities which focused on six sustainability topics. 2012 saw the participation of close to 400 youths pounding the streets of Singapore. In line with the Carbon Footprint theme, participants were challenged to learn about their carbon shoe size, and how they may reduce their earth impact by embracing a more sustainable lifestyle.

EARTH HOUR 2012

CDL has been supporting World Wide Fund for Nature (WWF)'s Earth Hour campaign by engaging various stakeholders since its launch in Singapore in 2008. In addition to the participation of 16 CDL buildings, the Company encouraged tenants to take part in the '½ Hour Off at Lunchtime' Campaign the day before, which included switching off all non-essential lights as well as air-conditioning. 91% of the tenants in these 16 buildings participated in this initiative leading to an estimated energy savings of about 18,500 kWh, the equivalent of powering four Singapore households for a year. City Square Mall also organised eco-activities including a film screening throughout the evening of Earth Hour celebrations.

NATIONAL ENVIRONMENT AGENCY (NEA) CORPORATE & SCHOOL PARTNERSHIP PROGRAMME (CASP)

A committed partner of NEA CASP since 2005, CDL adopts six schools and helps them to nurture environmental interest and action through eco-related projects that each school embarks on. The projects are then entered into a nationwide competition which culminates at the annual Clean and Green Singapore Schools' Carnival. 2012 saw two of our participating schools garnering awards: Catholic High School (Primary) emerged the top prize winner (Primary school category) for their project 'Utilities-R-Us' which aims to encourage users to cultivate good consumption habits through a mobile game application. Catholic High School (Secondary) won the second prize (Secondary school category) for their Self-watering Plant System. The Carnival drew 10,000 visitors.

PROJECT: ECO-OFFICE

This outreach initiative by CDL and Singapore Environment Council (our NGO partner) targets office workers to adopt eco-friendly practices at the workplace. 2012 marked the 10th Anniversary of this programme. A total of 62 offices were certified (49 new and 13 re-certifications). This brings the total number of participating offices to 227. Through the wide distribution of the Eco-Office Kit, launch of an online platform and numerous awareness campaigns, some 25,000 office employees were also reached.

EMPOWERING OUR YOUTH

CDL-SINGAPORE COMPACT YOUNG CSR LEADERS AWARD

The Award is a youth case competition which aims to promote thought leadership amongst students and generate greater awareness of embracing CSR principles into a company's daily operations. Open to all students in Singapore aged 17 to 30 years old, 33 teams comprising close to 160 students participated in this second edition (an increase of 26% from 2011). Senior management from 10 Small and Medium Enterprises were also engaged in this effort and the top three winning proposals were shared with over 440 corporate delegates at the Singapore Compact CSR Summit.

PARTNERSHIPS WITH EDUCATION INSTITUTIONS

CDL has also developed close partnerships with education institutions. Some of the projects supported in 2012 include:

- CDL Innovation Design Competition 2012: Organised by Nanyang Polytechnic, this Competition encourages final year students to incorporate their core design skills into developing innovative product designs.
- National University of Singapore (NUS) Geography Challenge 2012 Singapore: Organised by the Department of Geography in NUS, this is a nationwide competition targeted at secondary school students to create awareness about the different aspects of urban planning, such as sustainable environments and green spaces.
- National Technological University (NTU) Asian Business Case Competition 2012: This is Singapore's first international undergraduate business case competition, and is also the only one focusing on sustainability and business.

COMMUNITY INVOLVEMENT PROGRAMMES - OVERSEAS

CDL supported 17 overseas youth-led projects largely focused on:

- Building and refurbishment of education facilities in villages.
- Water management projects including harvesting of rainwater, irrigation and providing access to clean water.
- Education programmes for children and youth in rural areas and provision of related materials.

The projects were mainly in neighboring communities such as Cambodia, China, Indonesia, Laos, Myanmar and Philippines. Close to 300 youths were directly impacted by our support.

COMMUNITY INVOLVEMENT PROGRAMMES - LOCAL

CDL supported 14 youth-led projects largely focused on environmental awareness, and serving the underprivileged and marginalised in our community. Some key initiatives include:

- NUS Climate Action Day (CAD) 2012: The main environmental event in the University organised by SAVE (Students Against Violation of the Earth) aimed at effecting behavioural change beyond awareness. CAD is the first youth-led climate movement initiated in Singapore.
- Project Inspirar Sit Exercise 2012: An active ageing initiative attended by some 300 senior citizens. As a follow-up to the success of the initiative, a vaccination drive for interested elderly was also organised.
- Singapore Management University (SMU) Challenge 2012: The Challenge mission was to encourage active aging among underprivileged elderly. Aside from \$55,000 raised for Lion's Befrienders, 400 elderly were also provided with goody-bags filled with food and daily necessities.

PROMOTING APPRECIATION FOR THE ARTS

4TH CDL SINGAPORE YOUNG PHOTOGRAPHER AWARD (SYPA) 2012

Held biennially since 2006, this nationwide photography competition aims to discover and nurture young photographic talents aged between 13 and 25 years old. From receiving just 400 entries in 2006, the number of submissions has jumped more than four-fold, hitting 1,643 in 2012. Aside from prize monies, the winners were also given the unique opportunity to showcase their works at the National Museum of Singapore.

13 STEPS VISUAL ARTS PROGRAMME

CDL supported the 13 Steps Visual Arts Programme organised as part of the Esplanade's 10th Anniversary celebrations. Aside from providing opportunities to local artists for a site-specific work through a commissioning process for the final display, this was also a community engagement initiative that allowed the public to vote for their choice of visual art to be displayed at the centre's Concourse Steps.

CDL SINGAPORE SCULPTURE AWARD

CDL, in partnership with National Parks Board, completed the commissioning of the winning work from the 4th CDL Singapore Sculpture Award in 2009 titled 'An Enclosure for a Swing'. The striking sculpture by architect Kelvin Lim, now lies perched on the peak of Recycle Hill within the Bishan-Ang Mo Kio Park. This community initiative is part of CDL's efforts to promote sculpture art by nurturing local talent, enhance the character of public spaces and cultivate art appreciation within the community-at-large.

CDL is also actively involved in sharing our CSR journey and spreading the sustainability message. Some of the initiatives we participated in include the following:

ORGANISER	TOPIC
ASEAN INTERGOVERNMENTAL COMMISSION ON HUMAN RIGHTS (AICHR) AND THE AUSTRALIAN HUMAN RIGHTS COMMISSION (AHR)	Joint Workshop on CSR
ASIAN CORPORATE GOVERNANCE ASSOCIATION	Annual Conference: Sustainability Reporting – How does it benefit Asian companies?
ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS SINGAPORE & WWF	Green Economy Roundtable: Is Corporate Asia ready for the Green Economy?
OECD (ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT) & ESCAP (UNITED NATIONS ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC)	Regional Corporate Responsibility Conference: International Corporate Responsibility Instruments – Putting Convergence into Action
DEPARTMENT OF ARCHITECTURE, NUS	Sustainable Urbanism in Asia
DEPARTMENT OF REAL ESTATE, NUS	Public Lecture Series: Strategy on integrating sustainability into business for leadership and competitive advantage
CSR STUDENT MOVEMENT, NUS	Shaping the Present to Sustain the Future
CHIJ ST. NICHOLAS GIRLS' SCHOOL (SECONDARY)	Annual Expanding Your Horizons Conference: Greening the world today for tomorrow
RESPONSIBLE RESEARCH	Corporate Access Panel: Real Estate – Improving the business case for green building in Asia
SINGAPORE GREEN BUILDING COUNCIL	International Green Building Conference: The Role of Businesses in Helping to Develop Green Communities
MASTER OF BUSINESS ADMINISTRATION (MBA) PROGRAMME, SMU	Enhancing Business Competitiveness, Creating a Sustainable Future
THE INSTITUTE OF INTERNAL AUDITORS SINGAPORE	Leadership Forum: Transforming Organisations Through Corporate Governance & Risk Management
THE MINISTRY OF FOREIGN AFFAIRS	Foreign Delegation Visit: Climate Change and Energy/Environment Sustainability Management

* This list is non-exhaustive.

WE TAKE CONCERTED EFFORTS TOWARDS PREVENTING POLLUTION ON THE ENVIRONMENT AND STRIVING TO APPLY ENVIRONMENTALLY-FRIENDLY PRACTICES IN OUR OPERATIONS.

ENVIRONMENTAL CONSERVATION

For over a decade, CDL has been advocating environmental sustainability in Singapore's built environment. We take concerted efforts towards preventing pollution on the environment and striving to apply environmentally-friendly practices in our operations.

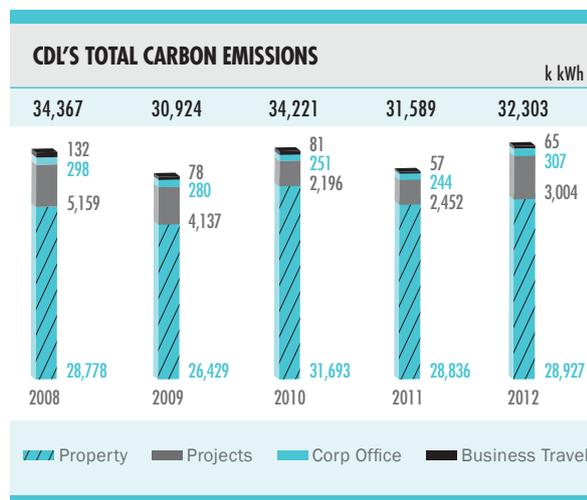
CARBON EMISSIONS

Extreme and unpredictable weather conditions in 2012 have helped heighten the need to address climate change urgently by many world leaders. According to a report commissioned by the World Bank, without immediate action, global temperatures could rise by 4 °C this century with potentially devastating consequences. There is increasing acceptance that climate change is not just an environmental issue but also has far-reaching social and economic impact.

Low-lying and densely populated, Singapore is at risk from the adverse impacts of climate change. Effects possibly include coastal land loss, flooding, water resource impacts, heat stress, public health implications from the resurgence of diseases and impact on island and marine biodiversity.

The main driver of climate change is carbon emissions, forming 97% of Singapore's total GHG emissions⁽¹⁸⁾. In line with the Singapore Government's aim to make Singapore a 'climate resilient' city, CDL targets a 22% reduction in our carbon emissions by 2020, below BAU levels from baseline year 2007.

In 2012, we have reduced CDL's total carbon intensity emissions as measured in tonnes CO₂/m² by 11% from baseline year 2007. In other words, we produced less carbon per leased square metre of area.



Since 2009, CDL voluntarily reduced our annual carbon emissions to 'net zero'⁽¹⁹⁾ for 11 Tampines Concourse, the first CarbonNeutral[®] development in Singapore and Asia Pacific, and our Corporate Office operations including our data centre.

The carbon credits CDL have purchased under this exercise funded a number of projects in Asia and all our supported projects have been verified to the international Voluntary Carbon Standard (VCS) and are pre-Clean Development Mechanism (CDM) projects.

Without the injection of carbon finance, these projects would be unviable. Beyond generating climate benefits, these projects also bring about social benefits such as employment and training opportunities, as well as improving the quality of life for the local community. This is also in line with CDL's commitment to CSR.

⁽¹⁸⁾ Source: Ministry of Environment and Water Resource's website www.mewr.gov.sg.

⁽¹⁹⁾ 'Net zero' or carbon neutralise refers to achieving net zero carbon emissions by balancing a measured amount of carbon released with an equivalent amount offset. This process was facilitated by The Carbon Neutral Company, one of the world's leading carbon offset and carbon management companies.

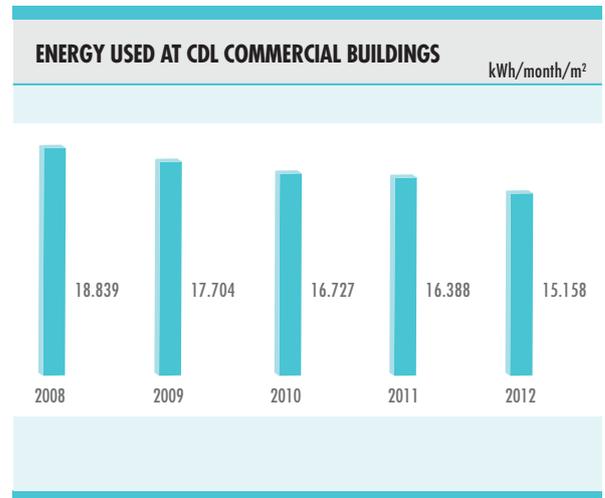
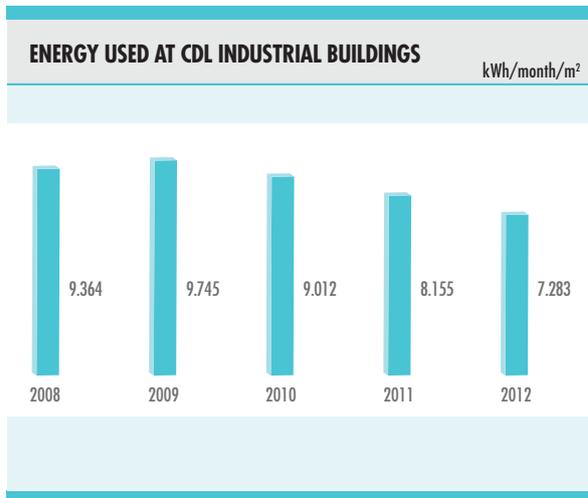
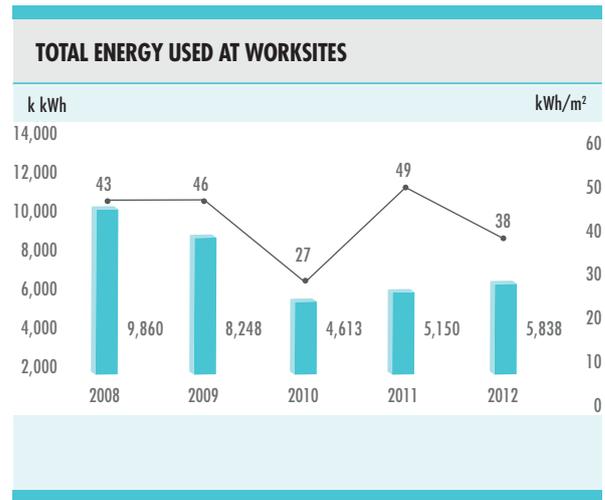
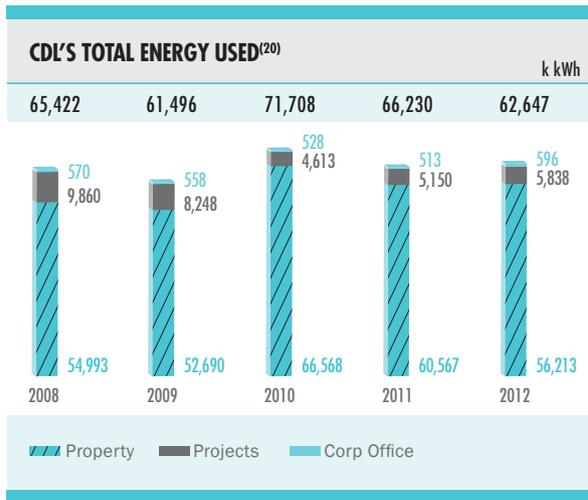
ENERGY

Nearly all of Singapore's energy needs (99.8%) are met by imported fossil fuels as the country lacks both the size and geography needed for large-scale alternative energy. As a result, Singapore is committed to increasing energy efficiency and reducing GHG emissions.

To help Singapore achieve the target of a 35% improvement in energy intensity by 2030, from 2005 levels, a new Energy Conservation Act was issued in 2012. This new Act has no impact on CDL operations. CDL has also set a higher minimum BCA Green Mark Gold^{Plus} for all

new developments, which is above legislative requirements. We remain committed to improving our energy performance across all our business operations so that we can reduce electricity consumption and contribute towards national targets.

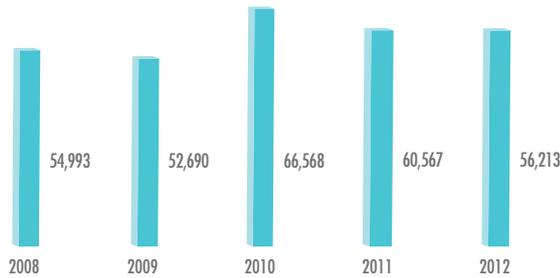
By adopting green innovations in CDL properties, it is our aim to help develop the industry's expertise and capabilities in sustainable solutions for our built environment as well as contribute to Singapore's goal of becoming a global solar energy hub. In 2012, CDL buildings generated a total of 121,934 kWh of renewable energy, equivalent to the annual electricity used by 28 Singapore households.



⁽²⁰⁾ Energy conversion ratio: 1 kWh = 0.0036 gigajoules (GJ)

TOTAL ENERGY USED AT ALL COMMERCIAL AND INDUSTRIAL BUILDINGS

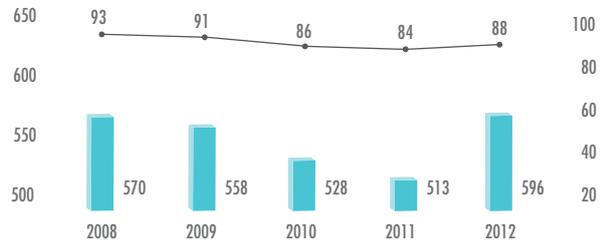
k kWh



ENERGY USED AT THE CORPORATE OFFICE

k kWh

k kWh/m²



WATER

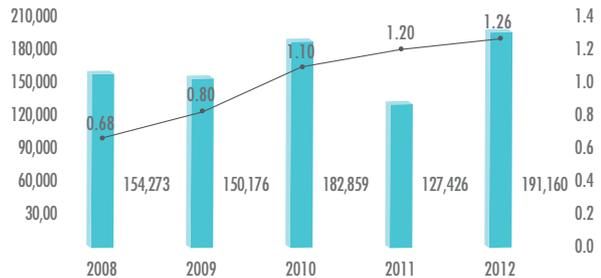
Managing water resources at CDL includes activities relating to efficiency in our water consumption and our methods for harvesting, reusing and discharging water. We recognise that water is a constrained but essential resource to the sustainability of our business. In water scarce Singapore, the Government has developed a diversified and sustainable water supply using a strategy called the Four National Taps. The water comes from four different sources; local catchment areas, imported water, reclaimed water known as NEWater⁽²¹⁾ and desalinated water.

In 2012, CDL conserved approximately 68,349 m³ of potable water at all our worksites and where infrastructure was available, used some 125,981 m³ of NEWater for operations that do not require potable water in our investment buildings such as cooling towers and sprinkler water tanks.

TOTAL WATER USED AT WORKSITES

m³

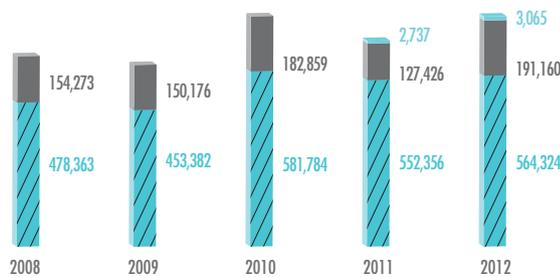
m³/m²



TOTAL WATER USED BY CDL

m³

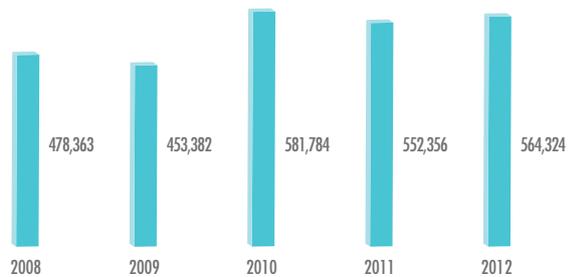
632,636 603,558 764,643 682,519 758,549



Property Projects Corp Office⁽²²⁾

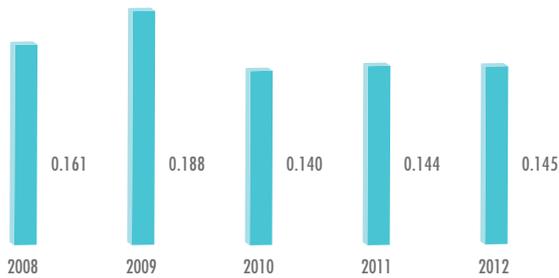
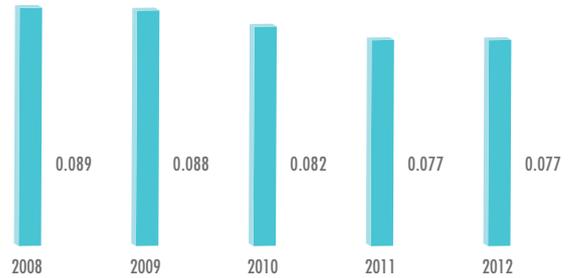
TOTAL WATER USED AT ALL CDL COMMERCIAL AND INDUSTRIAL BUILDINGS

m³



⁽²¹⁾ NEWater is treated used water that has undergone stringent purification and treatment process using advanced dual-membrane (microfiltration and reverse osmosis) and ultraviolet technologies.

⁽²²⁾ Data specific to Corporate Office was only tracked from 2011 onwards.

WATER USED AT CDL COMMERCIAL BUILDINGSm³/month/m²**WATER USED AT CDL INDUSTRIAL BUILDINGS**m³/month/m²**WASTE & RESOURCE MANAGEMENT**

As a property developer and manager, CDL's most significant impacts relate to the way we manage and dispose of the waste generated by our builders and the tenants of our developments. Singapore has limited space for landfills and all incinerated waste that is not recovered, reused, or recycled is disposed at the four waste-to-energy incineration plants. We aim to reduce waste and adopt approaches to reuse or recycle resource use in areas within our influence.

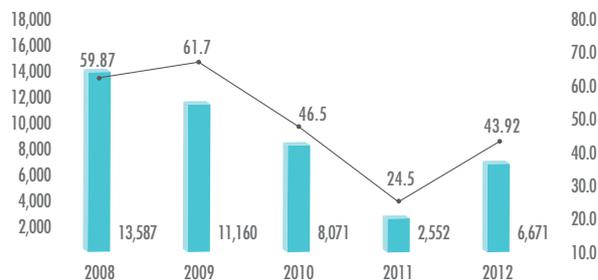
In 2012, construction waste generated at all of CDL worksites amounted to 6,671 tonnes or 43.9kg/m² of Gross Floor Area (GFA). This increase is due to waste generated in 2011 being significantly lower than in previous years as a number of our worksites were either at the initial stages of construction or nearing completion where less waste is usually generated.

A variety of Silt and Earth Control Measures are implemented at all worksites. Typically, the water discharged into the waterways has Total Suspended Solids (TSS) readings ranging from 10 to 15 mg/litre, significantly below the legal limit of 50 mg/litre.

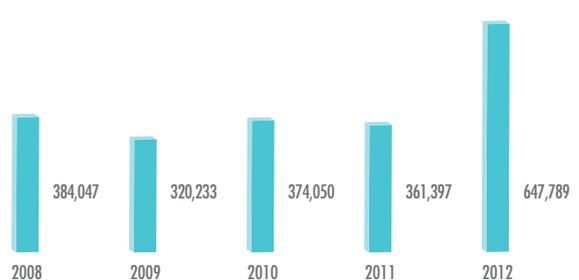
The tenant participation rate in our recycling programme has increased from 68% in 2005 to over 90% in 2012. The amount of paper recycled in 2012 is equivalent to over 11,000 trees⁽²³⁾. We have also achieved 100% use of eco-friendly paper for communication publications.

CONSTRUCTION WASTE GENERATED AT WORKSITES

tonnes

kg/m²**TOTAL VOLUME OF PAPER RECYCLED**

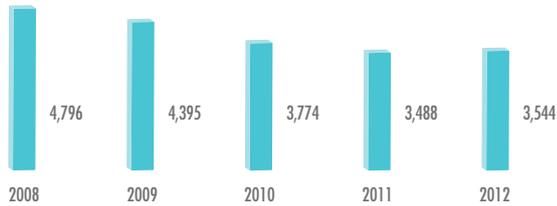
kg



⁽²³⁾ A ton of recycled paper is equivalent to 17 trees. Source: Conservatree.org.

**TOTAL VOLUME OF PAPER USED
AT CDL CORPORATE OFFICE**

No. of A4 reams



BIODIVERSITY

As Singapore is a highly urbanised and densely populated country with a limited land space of just 710 km², the Singapore Government pays particular attention to land use planning efficiently. As a result of prudent planning, Singapore is able to dedicate 10% of land area to parks and nature reserves and achieve green coverage of almost 50% of the total land area.

The forests in Singapore are not commercially exploited for timber or other timber products. All of CDL's projects are not located within any protected areas. However, as an environmentally responsible developer, we are sensitive to the biodiversity present at our developmental land sites and remain committed towards sustainable site management practices, in addition to mitigating our impact on the natural habitats of the wildlife that may be present.

For sites with existing natural habitats and sites in close proximity to natural habitats, a biodiversity impact study is conducted before the site is developed.

Upon acquiring a site in 2011, it came to our attention that there was a nest belonging to a pair of white-bellied sea eagles on a tree within the site. A wildlife consultant was then specially engaged to advise us on necessary action to be taken to ensure that the eagles would be able to continue their nesting duties.

In response, when construction commenced in 2012, we worked with the builder on a phased construction strategy to allow the hatchlings to successfully complete their nesting. In addition to hoardings being set up 50m from the tree to create sufficient buffer area between the tree and the construction activities, piling at the site was also rescheduled

to ensure that piling in the area containing the tree was left to the last. CDL also went on to engage with the Singapore Bird Park to advise on appropriate measures to be taken should the eagles be noted to be in distress. The monitoring process by the wildlife consultant was carried out until July 2012, when the eagles successfully completed their nesting cycle.

For all sites, CDL incorporates a standard practice to assess during the concept stage, identification of existing mature trees that can be conserved on-site or transplanted at a later stage to or from another CDL site. In this case, CDL was advised by experts that this particular tree where the eagles had their nest, could not be retained due to its poor condition. The tree was eventually removed after the eagles completed their nesting. The wildlife consultant affirmed that a new nest will be made elsewhere for the next breeding season.

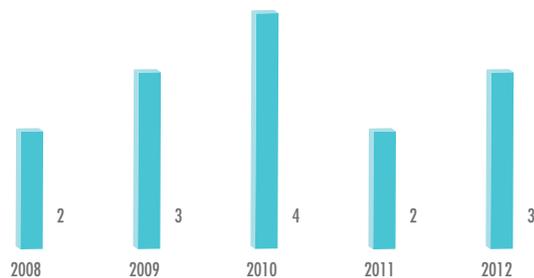
In 2012, CDL conserved three existing mature trees in one completed project.

NOISE

In Singapore, the NEA regulates the noise limits for construction sites, which vary depending on the time of the day and by the types of premises nearby. Construction noise limits protect nearby residents from noise impacts. CDL is committed to complying with the noise limits at all our worksites and ensures that our builders take all necessary action to address and resolve complaints due to construction noise.

In 2012, three worksites received complaints due to construction noise. In all cases, additional measures by the builders were put in place to mitigate further possible noise impacts.

**NUMBER OF COMPLAINTS ON CONSTRUCTION
NOISE RECEIVED AT WORKSITES**



To ensure that the organisation is moving together in the right direction, CDL has clear EHS performance targets. At our Corporate Office, this is our performance and targets:

EHS POLICY KEY POINTERS	2012 OBJECTIVES	2012 TARGETS	PERFORMANCE IN 2012	2013 OBJECTIVES	2013 TARGETS
'GREEN' CORPORATE CULTURE	To use eco-friendly paper in communication publications	To achieve 90% use of eco-friendly or recycled paper or FSC certified paper by end of 2012	ACHIEVED 100% USE OF ECO-FRIENDLY PAPER	To use eco-friendly paper in communication publications	To achieve 90% use of eco-friendly or recycled paper or FSC certified paper by end of 2013
	To promote eco-consciousness and reinforce a 'green' culture amongst staff	(a) To organise four eco-related awareness events/campaigns for staff (b) To sustain awareness via frequent communication – six email blasts a year	ACHIEVED	To promote eco-consciousness and reinforce a 'green' culture amongst staff	(a) To organise four eco-related awareness events/campaigns for staff (b) To sustain awareness via frequent communication – six email blasts a year
RESOURCE CONSERVATION & POLLUTION PREVENTION	To reduce the use of paper	To achieve average use of 11.5 reams of A4 paper per headcount per year	ACHIEVED AVERAGE USE OF 10.2 REAMS OF A4 PAPER PER HEADCOUNT	To reduce the use of paper	To achieve average use of 11.5 reams of A4 paper per headcount per year
	To reduce the use of electricity	(a) To achieve average electricity consumption of 4.4 kWh/m ² (excluding computer room) (b) To monitor power utilisation of computer room to maintain optimal efficiency	ACHIEVED AVERAGE ELECTRICITY CONSUMPTION OF 4.04 KWH/M²	To reduce the use of electricity	(a) To achieve average electricity consumption of 4.4 kWh/m ² (excluding computer room) (b) To monitor power utilisation of computer room to maintain optimal efficiency
	To reduce the use of water	To monitor average water consumption (m ³ /m ²) by floor to maintain optimal efficiency	MAINTAINED AT CONSISTENT LEVEL THROUGHOUT THE YEAR	To reduce the use of water	To monitor average water consumption (m ³ /m ²) by floor to maintain optimal efficiency

At CDL, we understand that our environment is a shared resource, a common habitat and a personal responsibility. Our commitment to environmental conservation remains an integral part of our business and corporate culture.



Statement GRI Application Level Check

GRI hereby states that **City Developments Limited** has presented its report “CDL SUSTAINABILITY REPORT 2013: CHANGING THE LANDSCAPE” to GRI’s Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 30 May 2013

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The “+” has been added to this Application Level because City Developments Limited has submitted (part of) this report for external assurance. GRI accepts the reporter’s own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world’s most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 21 May 2013. GRI explicitly excludes the statement being applied to any later changes to such material.

INDEPENDENT ASSURANCE STATEMENT

To the Management and Stakeholders of City Developments Limited:

Ere-S Pte Ltd [Ere-S] has been commissioned by the management of City Developments Limited [CDL] to carry out an independent assurance engagement on CDL Sustainability Report 2013 [the Report]. Ere-S' responsibility was to execute the assurance engagement, prepare this assurance statement and a separate assurance report. The Management of CDL was responsible for the preparation of the Report and all statements and figures contained within it.

SCOPE AND ASSURANCE STANDARD

The assurance engagement was executed in accordance with a Type 2 assurance of the AA1000 Assurance Standard (AA1000AS 2008) and a moderate (or limited) level of assurance. This included desktop review and management-level data verification to evaluate CDL's sustainability framework and processes using the criteria of AA1000 AccountAbility Principles (AA1000APS 2008): **inclusivity, materiality and responsiveness**. Ere S also assessed the disclosed performance information and the relevant data collection processes against the GRI G3.1 Reporting Principles: **sustainability context, completeness, balance, comparability, accuracy, timeliness, clarity and reliability**.

The scope of assurance covered all sustainability-related statements and figures found in the Report for the reporting period of January 2012 to December 2012. It did not include historical figures, financial data, technical descriptions of equipment and buildings and production processes supported by already verified documents, such as CDL's previous sustainability reports, annual report or third-party audit reports and certifications.

ASSURANCE METHODOLOGY

The assurance engagement was carried out in accordance with Ere-S verification methodology for non-financial information, which encompassed:

1. Identification and classification of statements, figures, charts and data sets to be verified.
2. Data verification interviews with key functional managers and data owners at CDL headquarters, which included:
 - Asking a series of questions on the quantitative and qualitative aspects of the Report disclosures, including performance information, policies, procedures and underlying management systems.
 - Requesting evidence of the data sources and explanation of relevant collection and calculation methods to substantiate the figures and claims.
 - Sampling quantitative data that originated from multiple sources.
 - Challenging the claims made in the Report and, where possible, confirming the presented evidence, including calculation methods, criteria and assumptions, with multiple data owners and other documentation from internal and external sources.
 - Crosschecking data with previous sustainability reports and CDL's current annual report.
3. The provision of recommendations to CDL reporting team for immediate or future improvement of the Report content.

ERE-S' INDEPENDENCE

This statement represents Ere-S' independent opinion provided to the Management of CDL only. Ere-S was not involved in the development of the Report or the disclosed management processes; neither has Ere-S been engaged by CDL for other projects. Ere-S' activities are independent of CDL and contain no financial interest in CDL's business operation.

FINDINGS AND OBSERVATIONS

Evaluation of the adherence to AA1000 AccountAbility Principles

Inclusivity — *How the organisation engages with stakeholders and enables their participation in identifying issues and finding solutions.*

We have found evidence of stakeholder engagement processes. Employees and clients are amongst the company's key stakeholder groups benefiting the most from solid engagement and feedback channels. These include frequent surveys, meetings and grievance mechanisms, which have all, to different extent, been strengthened in 2012. There is also evidence of continued engagement with suppliers, through diverse seminars and training on health and safety. The engagement with community partners is also visible but remains at project-level.

In the area of environment, health and safety, the company's level of commitment to all stakeholders appears strong. However, there is limited evidence to suggest formal stakeholder involvement in business decision-making processes on key material issues.

Materiality — *How the organisation recognises issues that are relevant and significant to it and its stakeholders.*

The definition and assessment of significant sustainability-related issues is evidenced at the highest levels of the company, through committees, survey results, workshops, other focus meetings and events. The implementation at management levels of key performance indicators (KPIs), particularly on the corporate governance, safety and environment topics, provide further evidence of the importance that the company attaches to these issues.

Future improvements will come from identification of additional sustainability issues in CDL's operations and the formalisation of inclusive measurement processes, most particularly in human rights. In that regard, we commend the new criteria relating to the well-being of workers on project sites.

Responsiveness — *How the organisation responds to stakeholder issues and feedback through decisions, actions, performance and communication.*

We have observed response mechanisms and actions taken to answer stakeholders' concerns. Examples in 2012 include the investigation carried out following a whistle blowing case; the enhancement of operation manuals to cater for new regulations and customers' needs, and the biodiversity study and action taken to protect sea eagles on a construction site.

CDL shows a high level of disclosure of all its sustainability-related initiatives, policies and performance through internal communication channels. An example of this is the company-wide publication of CDL's new policies on anti-corruption, fraud and competition. Similarly, CDL publishes its sustainability performance figures and key policies, including the whistle blowing procedure and contact details, on the company website.

EVALUATION OF ADHERENCE TO THE GRI PRINCIPLES

From our observations, the Report shows satisfactory compliance with the GRI G3.1 Reporting Principles. During interviews with data owners, we were provided with the requested evidence of statements, figures, relevant calculations and, in some cases, data sets for low-level sampling. Inconsistencies were promptly rectified by CDL's reporting team.

The Report shows an improved level of balanced information. However, we expect to see greater disclosure of weak performance spanning a broader scope in future reports, particularly from the supply chain where more measurement on environmental and social aspects is being implemented. Completeness of the Report could also be improved with disclosure of measurable targets for more topics in addition to environmental performance.

CONCLUSION

On the basis of the assurance work undertaken, Ere-S is satisfied that the claims in CDL Sustainability Report 2013 provide a credible and fair representation of the company's sustainability profile and performance and a reasonable application of the AA1000 AccountAbility and GRI Reporting Principles. The assurance findings also provide confidence, within the limits of a moderate assurance, that the Report's statement and figures achieve an adequate level of reliability and accuracy.

MOVING FORWARD

- As human rights performance findings emerge from the first assessments of contractors holding workers quarters on CDL sites, we encourage the company to consolidate measurements and implement relevant reporting mechanisms to the entire supply chain. In addition to adequate living, hygiene and security at the site quarters, which CDL has started to measure, we believe that more criteria related to human rights could be expanded in the medium term. For this, further engagement with relevant stakeholders in the supply chain may need to be carried out.
- We also encourage CDL to continue integrating management processes to consider, measure and respond to sustainability issues. We expect this to be evidenced by additional KPIs impacting functional and senior managers, inclusion of more sustainability topics in the risk register and ongoing CSR training targeted to employees, supply chain partners and tenants. The new Corporate Social Responsibility and Corporate Governance Committee will certainly play a key role in further consolidation and channelling of current and new CSR procedures and indicators.

- We recommend that future reporting exercises feature more balanced content and the inclusion of yearly quantitative targets for sustainability indicators from the social categories (labour practices and decent work conditions, human rights, society and product responsibility). More specifically, future reports would benefit from disclosure of CO2 emissions aligned with the scope of the Carbon Disclosure Project, in which CDL has recently qualified for the advanced reporting level.

The above findings and additional suggestions for improvement have been presented to the management of CDL in a more detailed assurance report.

Singapore, 23 May 2013



Jean-Pierre Dalla Palma, Director &
Certified Sustainability Assurance
Practitioner



Ere-S Pte Ltd is a consulting company specialising in business sustainability and provides services in the domains of sustainability reporting, sustainability report assurance, stakeholder engagement and CSR training. Our assurance team is composed of assurance practitioners with expertise in CSR and each member is required to follow Ere-S' assurance code of conduct, which can be found at <http://www.ere-s.com/assurance-code-of-conduct/>.

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