

General Announcement::News Release: CDL Integrated Sustainability Report 2016

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News Release

18 May 2016

CDL INTEGRATED SUSTAINABILITY REPORT 2016: DISCLOSING AND MAKING BUSINESS SENSE OF ROBUST ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE

- *Introduced targets for reduction in energy and water use intensity of 22% by 2020 and 25% by 2030 from baseline year 2007, and 35% sustainable building materials usage from 2016 over and above carbon emissions intensity reduction targets*
- *Among the first in Singapore to align its material issues to United Nations Sustainable Development Goals expected to form a global standard for future policy decisions and legislation*
- *First property developer in Singapore to achieve the globally-recognised ISO 14064-1 certification in Greenhouse Gas emissions reporting*
- *More than S\$31 million worth of savings from annual electricity consumption from 57 Green Mark certified buildings between 2008 and 2015*

Ahead of the new rules and guide for sustainability reporting that the Singapore Exchange (SGX) will soon introduce on a 'comply or explain' basis, City Developments Limited (CDL) has continued to push forward with more robust sustainability performance tracking and disclosure. This was shared in its 2016 Integrated Sustainability Report titled 'Integrating our Strengths, Creating Future Value'. CDL has introduced robust targets for reduction in energy and water use intensity¹ of 22% by 2020 and 25% by 2030, across its core business, from baseline year 2007, and 35% sustainable building materials² usage with effect from 2016. These new targets are in addition to CDL's carbon emissions intensity³ reduction targets set in 2011 – 22% by 2020 and 25% by 2030, from baseline year 2007.

SGX expects the new rules and guide on sustainability reporting to apply to companies from the financial year ending on, or after 31 December 2017. The move, in response to the growing global interest in sustainability information, is a step closer towards requiring Singapore-listed companies to report their Environmental, Social and Governance (ESG) performance. SGX's survey of institutional investors in 2015 found that more than 90% of respondents consider ESG aspects of business and strategy when investing. In line with the SGX proposed Guide, ahead of its implementation, a board statement has been included in this year's report.

CDL further took the lead as one of the first Singapore companies to align its material issues to the United Nations (UN) Sustainable Development Goals (SDGs) launched in September 2015. The SDGs are expected to form a global standard that will inform future policy decisions and legislation by governments. Thus, businesses that support the SDGs are more likely to be aligned with emerging policy priorities, potentially enhancing their licence to operate. The global goals also present opportunities for companies to innovate their products and services to address sustainable development needs, and benefit from multi-stakeholder partnerships around a shared set of global priorities. CDL has identified nine SDGs (refer to Annex) that are relevant to the company, based on its potential impact on and contributions to the goals.

¹ Energy/ water use intensity refers to the amount of energy/ water used per square metre of floor area

² Recycled content, low-carbon sources or those certified by recognised environmental organisations

³ Carbon emissions intensity refers to the amount of carbon emission per square metre of floor area

To align with globally-recognised standards in carbon emissions measurement and reporting, CDL is also the first developer in Singapore to achieve the ISO 14064-1 certification in Greenhouse Gas (GHG) emissions reporting. The assurance covers stringent audits of processes on GHG emissions control and a review of emission factors used for diesel, petrol, refrigerant gases, electricity grid, transmission and distribution losses, employee commuting, and business air travel.

Based on the International Integrated Reporting Council's (IIRC)'s framework, CDL's 2016 Integrated Sustainability Report continues to connect the company's ESG performance with economic impact and translate the benefits into six capitals – Financial, Organisational, Natural, Manufactured, Social and Relationship, and Human – to make stronger business sense for its investors and stakeholders. In 2015, CDL became the first property developer in Singapore to adopt an Integrated Reporting approach for its Sustainability Report.

Mr Grant Kelley, CDL Chief Executive Officer said, "SGX's move to introduce sustainability reporting on a 'comply or explain' basis is timely as sustainability is becoming mainstream in today's global business environment. It creates value for businesses, investors, stakeholders and the environment. Through sustainability reporting, we can benchmark our performance, enhance corporate governance, transparency and stakeholder engagement."

"To drive improvement, we have continued to raise the bar in target setting and impact reporting based on global best practices. In particular, being among the first to align our business with the UN SDGs will give us first-mover advantage as we expand our business globally."

Strong Environmental Performance for 2015

In 2015, CDL achieved:

- 19% reduction in carbon emissions intensity against the baseline year of 2007, on track to meet its 22% target for 2020
- 27% reduction in energy use intensity against the baseline year of 2007, exceeding its 22% target for 2020
- 17% reduction in water use intensity against the baseline year of 2007, on track to achieve its 22% target for 2020
- More than S\$31 million worth of savings from annual electricity consumption from 57 Green Mark certified buildings between 2008 and 2015

CDL's sustainability efforts have received international recognition. It is ranked Top Real Estate Company and 10th in the prestigious Global 100 Most Sustainable Corporations in the World 2016, and the only Singapore company that has been listed in the Global 100 for seven consecutive years. CDL also remains the first Singapore company to be listed on three of the world's leading sustainability benchmarks – FTSE4Good Index Series (since 2002), Global 100 Most Sustainable Corporations (since 2010) and Dow Jones Sustainability Indices (since 2011). In 2014 and 2015, CDL was named the Top Property Developer in Asia, Top Singapore Corporation and among the top 10 sustainable companies in Asia in the Channel NewsAsia Sustainability Ranking.

CDL's 2016 Integrated Sustainability Report is its ninth dedicated sustainability report. It is aligned with Global Reporting Initiative (GRI) G4 guidelines at the Comprehensive level. In 2008, CDL published Singapore's first GRI Application Level checked report. In 2012, CDL became the first Singapore property developer to receive GRI Level A+. CDL's 2016 Integrated Sustainability Report has also been submitted to UN Global Compact (GC) as a Communication on Progress at the highest "GC Advanced" level, making CDL the only Singapore company to have attained this status since 2012. The Report is available at:

<http://www.cdl.com.sg/sustainabilityreport2016>

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Annex: Aligning CDL’s Material Issues with UN SDGs

CDL firmly believes that a sustainable society can only be achieved with the support of the corporate community. As such CDL has assessed the ways in which the management of its material issues can contribute towards sustainable development through specific SDGs.

CDL reviewed the relevance of each of the 17 SDGs to its business operations and material issues. Nine goals have been identified as being of relevance, both in terms of CDL’s potential impact on these goals, and the potential contributions that CDL can make towards them.

SDGs Applicable to CDL	CDL’s Potential Impact and Contributions
 <p>Ensure access to affordable, reliable, sustainable, and modern energy for all</p>	<p>Through best practices in energy management, low carbon operations, green features and retrofitting, as well as increased adoption of solar technologies, CDL builds and manages certified green buildings and office interiors with energy efficiency and sustainable energy in mind. This aims to benefit CDL’s homebuyers, tenants, and business operations. Recognised as the leader in green building, CDL also plays an active role in sharing know-how within the built industry in Singapore and beyond.</p>
 <p>Promote inclusive and sustainable economic growth, employment, and decent work for all</p>	<p>CDL adopts consistent, equitable, and fair labour policies and practices in rewarding, developing, and caring for employees under its direct hire. Through its Environmental, Health and Safety (EHS) policy and 5-Star EHS Assessment System, CDL also ensures safe, clean, and dignified working and living conditions for the workers at its construction sites who are employed by its contractors.</p>
 <p>Build resilient infrastructure, promote sustainable industrialisation, and foster innovation</p>	<p>CDL has contributed towards this goal by investing 2% to 5% of a new development’s construction cost on sustainable designs and construction methods and committing to local and international certifications for quality green homes and offices. CDL also strives to introduce at least one innovation for every new development such as the Agri-Cube Hydroponic Farm and extensive solar panels at its Lush Acres and D’Nest residential projects respectively.</p>
 <p>Make cities inclusive, safe, resilient, and sustainable</p>	<p>By embedding the principle of Universal Design in all its developments, upholding EHS standards and driving innovations in smart and green lifestyle solutions, CDL is well positioned to support Singapore’s aspiration to become a clean, green, smart and sustainable nation.</p>
 <p>Ensure sustainable consumption and production patterns</p>	<p>Through sustained programmes to engage tenants, homebuyers, youths and members of the public through initiatives such as CDL Green Lease Partnership Programme, “Let’s Live Green” outreach, EcoBank, North West Power Up Scheme, CDL actively advocates sustainable consumption through behavioural changes. CDL also upholds responsible sourcing along the supply chain through its Green Procurement Guidelines and by setting a target for 35% of its building materials to be derived from recycled content, low-carbon sources, or those certified by recognised environmental organisations.</p>



Take urgent action to combat climate change and its impacts

Since 2008, CDL has established a target to reduce carbon emissions intensity across all its operations in Singapore. In 2015, CDL advanced its commitment with a Climate Change Policy, and has achieved a 19% carbon intensity reduction from baseline year 2007. CDL has also implemented a GHG management system in line with ISO 14064-1, and adopted the Sectoral Decarbonisation Approach in reviewing its existing targets in support of Singapore's climate goals and the COP21 Paris Agreement.



Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss

CDL has taken steps to ensure the conservation of natural habitats and biodiversity by making it a standard practice during the planning stage of construction to conduct a Biodiversity Impact Assessment and consult with environmental non-governmental organisations and agencies, where applicable. Moving forward, CDL is reviewing the implementation of a more rigorous Environmental Impact Assessment for its new developments in 2016.



Promote just, peaceful and inclusive societies

CDL believes in creating a fair and inclusive society for its business to thrive and prosper in. CDL's steadfast commitment is evident in its 'zero-tolerance' policies and practices towards fraud and corruption, non-discrimination in hiring policy, as well as its corporate stance on human rights prohibiting child and forced labour in CDL's operations and supply chain. Legal compliance across all its operations is of utmost concern to CDL's business.



Revitalise the global partnership for sustainable development

As signatory to the UN Global Compact, and member to the World Green Building Council and Business Council for Sustainable Development Singapore, CDL has taken on an active and leading role in promoting best practices and enabling collaboration in advancing the Corporate Social Responsibility and green building agenda. CDL also furthers its advocacy efforts through participation in local and international forums.