

2014

Sustain

able

to take the lead
to shape an industry
to create lasting value

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At City Developments Limited (CDL), sustainability is more than just an opportunity to make a positive impact on society and the environment; we believe it is imperative to our long-term viability.

We have built our business around the principles of sustainability, which have allowed us to achieve greater heights, pursue new areas of growth and create enduring value.

Yet, our journey is far from over. We are committed to continual engagement with our stakeholders, exploring new ideas and delivering excellent experiences.

Sustain

About this report

This is CDL's seventh Sustainability Report. It replaces the CDL Sustainability Report 2013 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.

This report contains data from 01 January to 31 December 2013 and covers CDL's Singapore operations. It focuses on our principal 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 2013. This report is presented in Singapore dollars, which is the Company's functional currency.

Millennium & Copthorne Hotels plc (M&C), in which CDL has a 59%¹ interest, has its own Board of Directors that oversees its policies and operations. The Board has adopted a number of policies, collectively referred to as Responsible Hospitality, which are designed to recognise M&C's wider impact on the communities in which it operates. M&C reports on its CSR activities in its Annual Report which is available online at www.millenniumhotels.com.

CDL voluntarily discloses the information as the Company believes in upholding the principles of corporate transparency, disclosure and communication with our stakeholders. Any variance in data from the CDL Annual Report 2013 is due to updates following the external assurance of this Sustainability Report. For additional information on the Company's comprehensive initiatives on sustainability, please refer to our website www.cdl.com.sg.

Report content

In each reporting cycle, CDL's 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.

Other operational committees oversee existing management systems such as ISO 14001 Environmental Management System and Singapore Quality Class. They establish, track and disclose relevant targets and key performance indicators within this Sustainability Report.

CDL's report continues to integrate ISO 26000:2010 Guidance on social responsibility and the Company actively promotes compliance with internationally adopted standards and regulations in the fields of occupational standards, environmental protection and the fight against corruption.

Reporting boundaries and standards

This report is aligned with the Global Reporting Initiative (GRI G3.1). Sustainability Reporting Guidelines and the Construction & Real Estate Sector Supplement (CRESS), achieving Application Level A+. The GRI Content Index is available at www.cdl.com.sg/sustainabilityreport2014.

Since 2005, CDL has been a signatory to the United Nations Global Compact and we are committed to its 10 principles. Our annual Sustainability Report also serves as our Communication on Progress (COP) and we have addressed our progress in the areas of human rights, labour, environment and anti-corruption, which is available at www.unglobalcompact.org.

Our carbon footprint is calculated in accordance with the World Business Council for Sustainable Development and World Resources Institute's (WBCSD / WRI) 'The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard' (GHG Protocol).

¹ As at 27 February 2014

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 or controlled by the company such as fuel used in generators.
- Scope 2 — GHG emissions from the generation of purchased electricity.
- Scope 3 — Indirect emissions such as from business travel.

We use an operational consolidation approach to determine organisational boundaries. For example, our carbon and energy data include only the usage impacts. Data is consolidated from a number of sources, including our project sites and investment buildings, 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 in order to improve the management of our data and to achieve more consistent reporting for accountability.

Assurance

The CDL Sustainability Report 2014 continues to be externally assured to validate the accuracy and reliability of the content. Ernst & Young LLP (EY) was engaged to provide independent limited assurance of this Report. The assurance covered figures and statements found in the report that are related to the Subject Matters agreed as per the Assurance Statement. EY reviewed the underlying systems and processes that support the Subject Matters in the Sustainability Report. The assurance is in accordance with ISAE 3000, 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information'. The assurance, including the scope of work and conclusions, can be found in the Assurance Statement on pages 60 to 63.

Accessibility

CDL continues to print only limited copies of this Sustainability 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

Feedback from our valued stakeholders is vital to allow us to continually improve our CSR practices. We welcome your views, comments or feedback, which may be directed to:

Ms Esther An

Chief Sustainability Officer

City Developments Limited

9 Raffles Place
 #36-00 Republic Plaza
 Singapore 048619
 Republic of Singapore
 Email: csrenquiries@cdl.com.sg

Deputy Chairman's message



Dear Stakeholders,

2013 was a milestone year for CDL. We celebrated our 50th anniversary and marked the occasion with a series of large-scale community initiatives.

As Singapore's pioneer in green development, we continuously innovate, invest in and improve on the way buildings sustain life. This was embodied in our two green 'gifts' to the nation: 'My Tree House', the world's 1st green library for kids, and the CDL Green Gallery @ Singapore Botanic Gardens Heritage Museum, Singapore's first zero energy green gallery. They were officially opened in May and November respectively.

Capitalising on our core expertise and network of like-minded partners, we were able to conceptualise and transform these public spaces into sustainable showcases, the first of their kind, for the community and for Singapore; raising awareness and appreciation for sustainable development. This underpins our ethos to 'Conserve as we Construct' and our commitment to create value for our community. We consider it a privilege to contribute our green building expertise to not just the private, but also the public sphere.

During the year, we also expanded on our signature community outreach programmes. The CDL E-Generation Challenge, designed to empower our youths to be eco-change agents, saw its biggest turn-out of 88 teams, comprising over 500 participants in this 4th annual eco-race. We also held our 5th CDL Singapore Sculpture Award, marking the 10th anniversary for this biennial award

that has unearthed many talented young artists who have since made their mark in the local and global arts arena. Through this flagship arts initiative, we have commissioned and installed a total of six public sculptures by local artists, including our latest addition at Raffles Place Park, in the heart of Singapore's Central Business District. These, amongst many other examples shared in this report, bear testimony to our sustained efforts to reach out to the community.

Having crossed the half centennial mark, it is opportune for us to take stock of our triple bottom line performance – both achievements and gaps – and also chart our course for the journey ahead.

Over the past five decades, we have weathered economic adversity and have strengthened our strategies to address the increasingly complex global community that we operate in. Even in the absence of a global deal on climate change, CDL has responded to the environmental concerns resulting from Singapore's rapid transformation into a highly-industrialised and urbanised economy. We have pledged to reduce our carbon emissions by 22% by 2020 and 25% by 2030 respectively (using 2007 as a baseline year), in support of the Government's environmental targets. In 2013, we reduced our carbon emissions by 18%, putting us on track to achieving our targets.

While the role of sustainability has not traditionally been a core theme in business strategy, the corporate landscape is shifting swiftly.

According to the KPMG International Survey of Corporate Responsibility Reporting 2013, which covered 4,100 companies across 41 countries, it found that corporate reporting has become a mainstream business activity. Globally, sustainability reporting is practised by 71% of those surveyed as compared to just 12% in 1993 when KPMG first published its survey. 80% of the 2013 survey respondents reported that they have a strategy in place to manage environmental-related risks and opportunities.

One of the key reasons for this uptrend is the imposition of regulatory requirements and voluntary reporting guidelines released by governments and stock exchanges globally. I am heartened that more corporations are recognising environmental risks and transforming them into opportunities for growth, while upholding the key tenets in sustainability practice: transparency and accountability.

Since embarking on our 'green' journey to transform our business in the mid-1990s, CDL has been a firm proponent of sustainability reporting as a means to track, measure and improve on our social and environmental performance. We have found increasingly that our proactive efforts have enabled us to enjoy first-mover advantage and we have consistently demonstrated that environmental-related regulations that have been progressively mandated for our industry have had little business impact on our operations.

Titled 'Sustain', this report reflects CDL's steadfast commitment towards responsible corporate citizenry. We have faithfully striven for sustainable best practices while maintaining a strong financial performance. For the full year 2013, the CDL Group posted strong earnings of \$683 million despite an increasingly challenging Singapore property market.

In 2013, we were honoured to be named a Regional Sector Leader for Asia in the Global Real Estate Sustainability Benchmark (GRESB) Report, and have remained listed on the FTSE4Good Index Series and Dow Jones Sustainability Indices. From being the first Singapore company to be listed on the Global 100 Most Sustainable Corporations in the World ranking in 2010, we have remained listed for the fifth consecutive year and further improved on our ranking, climbing to 39th place in 2014 from 52nd position in 2013. CDL also received the inaugural Best Sustainability Practice honour at the IR Magazine Awards – South East Asia 2013.

We continue to retain our leadership in green buildings, championing new breakthroughs. In Singapore, we were the first private developer to receive two distinguished accolades from Singapore's Building & Construction Authority (BCA): Quality Excellence Award – Quality Champion (Platinum) and Construction Productivity Award – Advocates (Platinum). Two of our green properties – 11 Tampines Concourse and City Square Mall – became the first buildings in Singapore to receive the Leadership in Energy and Environmental Design for Existing Buildings: Operations and Maintenance (LEED-EBOM) certification. Between 2008 and 2013, it is estimated that our 48 Green Mark awarded buildings enjoyed a reduction in electricity consumption of around \$30.4m in value. We also received the International Dilmun Environmental Award from the UK-based safety charity, Royal Society for the Prevention of Accidents (RoSPA) –

“Together, these independent global ratings and accolades affirm that our sustainability practices are in line with international best practices and our business has served to enrich the wider community.”

the first company outside of Europe to win this accolade.

Together, these independent global ratings and accolades affirm that our sustainability practices are in line with international best practices and our business has served to enrich the wider community.

This year marks a milestone for CDL's sustainability reporting efforts. A decade ago, we took a leap of faith and started publishing a CSR Report section in our Annual Report – one of the first among listed companies in Singapore to do so. In 2008, we published a dedicated social and environmental report, which was the first Global Reporting Initiative (GRI)-checked social and environmental report in Singapore.

We believe that our holistic approach – and focus beyond financial performance – has set us apart from our industry peers; in addition to cost savings from using lower amounts of natural resources, we are able to develop high quality buildings that are more sustainable and attractive to consumers. We have also been able to contribute meaningfully to developing our social and environmental landscape.

Having been an early adopter and pioneer of sustainability reporting in Singapore, the most rewarding part of our journey is our ability to continually refine and sharpen our strategies and processes, institutionalise and improve upon them; while remaining focused on exercising greater corporate stewardship.

Looking ahead, the future of sustainability reporting will

continue to evolve. Admittedly, investor activism is still in its infancy in this part of the world and there has yet to be a consistent approach to valuing sustainability Key Performance Indicators (KPIs) by the investment community. However, there are encouraging signs that sustainability reporting is gaining traction.

With the launch of G4 guidelines by GRI in 2013 (refer to page 21), we are embarking on a gap analysis for this new framework, to identify areas for improvement and refine the indicators that are material to our business. We aim to adopt the G4 reporting guidelines by 2016.

In retrospect, our firm commitment to CSR is founded on our belief that one should return to society what one has gained from it. This was instilled in us by our late founder, Mr Kwek Hong Png; this ethos has been his legacy since 1963 and continues to buttress our CSR philosophy.

Together with your support, we will continue to build on our solid foundation to strengthen our business paradigm and innovate for the future, building a sustainable tomorrow for all.

Kwek Leng Joo
Deputy Chairman

30 April 2014

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to take the lead

The key to sustainable growth over the long-term is a robust framework to identify and manage both financial and non-financial risks and opportunities. At CDL, we have integrated our CSR strategy across all our business operations to achieve a balanced triple bottom line performance.

CDL at a glance

As at 27 February 2014



2013 in review

1/4

(January - March)

CDL was ranked as one of the Global 100 Most Sustainable Corporations in the World for the fourth consecutive year, moving up the list from 62nd to 52nd position (39th as at January 2014).

CDL was listed amongst the top-scoring 15% in RobecoSAM's Sustainability Yearbook 2013, a guide to investors worldwide on which companies are doing the most to address the risks and opportunities of sustainability.

D'Nest, a condominium development located in Pasir Ris Grove, successfully entered the Singapore Book of Records for achieving the national record for the 'Largest Solar Panels In A Condominium', with 1,520 m² of solar panels installed on the development's roof tops.

The second BCA-CDL Green Sparks Competition culminated with a prize-giving ceremony where 'The Greenworks', a team from the National University of Singapore, took home the top prize for their comprehensive concept proposal for a 'green' show suite, complete with innovative green design and energy-efficient features.

2/4

(April - June)

CDL was the first developer to receive the prestigious Quality Excellence Award – Quality Champion (Platinum) and Construction Productivity Award – Advocates (Platinum) at BCA Awards 2013. A total of 21 new Green Mark awards were also added to CDL's tally.

The first company outside of Europe to receive the International Dilmun Environmental Award from Royal Society for the Prevention of Accidents (RoSPA) for excellence in environmental health and safety management, CDL also received the RoSPA Gold Medal Award for Occupational Health and Safety.

National Library Board and CDL officially opened My Tree House – World's 1st Green Library for Kids at the Central Public Library. This initiative was the first of two 'green' gifts to Singapore in 2013 as part of CDL's 50th anniversary celebrations.

City Square Mall received the Excellence Award under the Shopping Mall Category in the Businesses for Families Council's 'We Welcome Families' Awards 2013. It is the first and only mall in Singapore to receive the accolade twice in a row.

Over 500 youths participated in the fourth CDL E-Generation Challenge 2013, an annual national eco-themed race-style competition to promote eco-consciousness and sustainable lifestyles. This was our largest eco-race to date.

CDL was presented with the Excellence Award in the People's Association Community Spirit Awards 2013, under the 'Partners of Community Development Council (CDC)' category.

CDL's sixth Sustainability Report was released. For the second year running, the report achieved GRI-checked Level A+ using the G3.1 guidelines as well as CRESS.

3/4

(July - September)

CDL was named a Regional Sector Leader for Asia in the GRESB Report 2013. We were also ranked 22nd out of 543 participating organisations across the world.

CDL was once again selected as an index component on the Dow Jones Sustainability Indices (World and Asia Pacific) as well as the FTSE4Good Index Series.

The National Art Council's Distinguished Patron of the Arts Award was presented to CDL for our sustained contributions to the promotion and development of the arts in Singapore.

The Rainforest Executive Condominium developed by CDL was recognised under the National Parks Board's inaugural Landscape Excellence Assessment Framework certification scheme.

The CDL-Singapore Compact Young CSR Leaders Award winners were honoured at the 5th International Singapore Compact CSR Summit where a team from Nanyang Technological University, 'Team Chasers', took home the top prize of \$5,000 and a Championship Shield.

4/4

(October - December)

CDL received the Internal Audit Excellence Merit Award and the Most Transparent Company Award – Runner-Up (Real Estate Category) at the Securities Investors Association Singapore (SIAS) Investors' Choice Awards 2013.

The 9th CDL 5-Star Environmental, Health and Safety (EHS) Awards were presented to CDL's exemplary builders.

CDL emerged the inaugural winner of the 'Best Sustainability Practice' category at the IR Magazine Awards – South East Asia 2013.

The Eco-Green Outstanding Leadership Award at the Asia Responsible Corporate Awards (ARCA) was presented to CDL.

CDL won the Best Sustainability Report 2012 from Singapore at The National Center for Sustainability Reporting's 9th Indonesia Sustainability Reporting Awards.

CDL's second gift to the nation, the CDL Green Gallery @ Singapore Botanic Gardens (SBG) Heritage Museum, Singapore's first zero energy green gallery, was officially opened by Prime Minister Lee Hsien Loong.

'Heritage in Green', a photo exhibition by CDL Deputy Chairman Mr Kwek Leng Joo showcasing the unique heritage features of SBG, was held in conjunction with the celebration of the CDL Green Gallery's opening.

CDL emerged a Gold Winner for Best Innovative Green Building at the MIPIM Asia Awards 2013 for Tree House, a nature-inspired residential development, while Cube 8 was a Bronze winner in the Best Residential Development Category.

11 Tampines Concourse and City Square Mall became the first buildings in Singapore to be awarded the esteemed LEED-EBOM Platinum and Gold Certifications respectively, from the US Green Building Council.

Three customer service representatives from City Square Mall were recognised by the Singapore Retailers Association at the Excellent Service Awards 2013.

The CDL Singapore Sculpture Award Exhibition, which showcases the award-winning and most creative artworks of the 5th CDL Singapore Sculpture Award, was launched.

CDL unveiled its sixth public sculpture, 'All the Essentially Essential', a 3 m tall interactive sculpture by artist / educator Mr Tan Wee Lit, at Raffles Place Park in the heart of Singapore's Central Business District. CDL commissioned this piece, which was the winning artwork at the 3rd CDL Singapore Sculpture Award.

CDL was the first corporation to win the LOO (Let's Observe Ourselves) Award from the Restroom Association of Singapore, in recognition of the company's efforts in championing clean toilets at worksites.

Performance overview for 2013

Environmental impact



Environmental Efficiency

\$30.4 m

estimated reduction in annual electricity consumption from Green Mark awarded buildings, between 2008 and 2013



Climate Change

18%

reduction in GHG emissions since 2007

2012: 11%



Energy Used

61,398 MWh

2012: 62,647 MWh



Water Used

717,033 m³

2012: 758,549 m³



Construction Waste Generated

4,544 tonnes

2012: 6,671 tonnes

Social impact



Employee Turnover

14.1%

2012: 17.9%



Employee Effective Index

69%

2012: N.A.²



Diversity

44%

female Heads of Departments

2012: 46%



Employee Volunteerism

2,664 hours

2012: 3,589 hours



Accident Frequency Rate

0.72

number of workplace accidents per million manhours worked

Industry Average: 2

2012: 0.14



Workplace Injury Rate

178

number of fatal and non-fatal workplace injuries per 100,000 persons employed

Industry Average: 276

2012: 44

² The Employee Effective Survey takes place once every two years and there was no survey conducted in 2012.

About CDL

Since our inception in 1963, CDL has been Singapore's property pioneer. Under the astute leadership and strategic foresight of its late founder Mr Kwek Hong Png, CDL is now a Singapore-listed international hospitality and property conglomerate with businesses in real estate development and investment, hotel ownership and management, facilities management, as well as the provision of hospitality solutions.

With an extensive network of more than 400 subsidiaries and associated companies, the Group has five companies listed on notable stock exchanges in New Zealand, Hong Kong, London and The 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 developed over 34,000 luxurious and quality homes across diverse market segments. We are one of Singapore's biggest landlords, owning close to 7.2 million square feet (sq ft) of floor / lettable area of office, industrial, retail, residential and hotel space locally and globally. Among private developers in Singapore, the Group possesses one of the largest land banks, with close to 2.4 million sq ft, which can be potentially developed into over 7.9 million sq ft of gross floor area. CDL has 400 employees at our headquarters and for the year ended 31 December 2013, we reported annual revenue of \$3.16 billion.

Vision and strategy

Since the 1990s, CSR has been integrated into CDL's corporate vision and mission.

Corporate vision

To maintain industry leadership in innovation, product quality, service standards, profitability and Corporate Social Responsibility.

Corporate mission

Customers

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

Investors

To maintain profitability and achieve optimum returns for their investment.

Contractors and suppliers

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

Employees

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

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

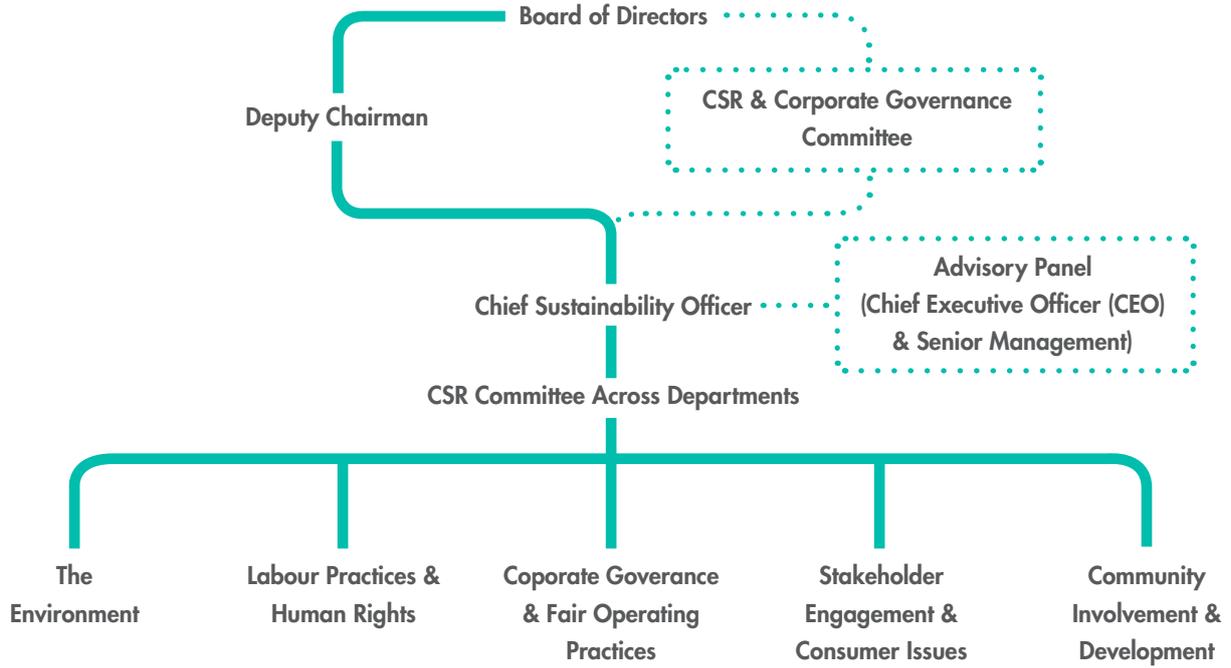
To be a responsible corporate citizen who believes in creating value for stakeholders, conducting sustainable business practices, caring for the community and protecting the environment.

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 (CG) and Risk Management, Stakeholder Relations and Community constitute key CSR areas material to the business.

A company-wide CSR Committee is responsible for mapping out CSR strategies and measuring key performance. This Committee initiates, drives and monitors various aspects of the Company's CSR practices to ensure these are integrated into our business operations and complement corporate objectives. Above this committee, at the Board Level, is a CSR & CG Committee that assumes an advisory role for the Company's CSR strategies. The CSR & CG Committee is chaired by our Deputy Chairman with two independent Directors.

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
- Maintain industry leadership position in CSR within 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, safety and well-being
- Achieve industry leadership position in Workplace Health and Work-life initiatives in Singapore

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 on the development of green buildings
- Create products that are value for money
- Provide quality customer service

Supply chain

- Proactively engage contractors 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 system comprising principles, policies and guidelines to ensure that we address key issues pertinent to our business and perform credibly to stakeholder expectations.

Corporate governance

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

To demonstrate our commitment to uphold the highest standards of corporate governance, CDL had joined the SIAS and its partners since 2010 in making the following public Statement of Support, which was reiterated at the 4th Singapore Corporate Governance Week 2013 (organised by SIAS) in November 2013:

“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 2013, CDL received the Internal Audit Excellence Award – Merit and the Singapore Most Transparent Company Award – Runner-Up (Real Estate Category). The Internal Audit Excellence Award recognises companies that have established an effective Internal Audit Function to enhance corporate governance, risk management and assurance. CDL is the first winner from the real estate sector.

CDL's corporate governance practices are set out in CDL's Corporate Governance Report, with specific reference to the following principles and guidelines of the Code of Corporate Governance 2012 (2012 Code). Where CDL's practices differ from the recommendations under the 2012 Code, the Company's position in respect of the same is also explained in the Report.

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: Risk Management and Internal Controls
- Principle 12: Audit & Risk Committee (ARC)
- Principle 13: Internal Audit (IA)

Communication with shareholders

- Principle 14: Shareholder Rights
- Principle 15: Communication with Shareholders
- Principle 16: Greater Shareholder Participation

For the full Corporate Governance Report, please refer to the Company's Annual Report 2013 at www.cdl.com.sg/annualreport2013, pages 28 to 42.

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 in place an internal code of business and ethical conduct crystallising the Company's business principles and practices with respect to matters which may have ethical implications. The code – which provides a communicable and understandable framework for staff to observe the Company's principles such as honesty, integrity, responsibility and accountability at all levels of the organisation and in the conduct of the Company's business in their relationships with customers, suppliers and among employees – 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 intellectual property rights of third parties
- 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 Company has the following three corporate policies in place:

- (i) Anti-Corruption Policy & Guidelines which set 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 provide 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 provide guidance on actions which may constitute fraudulent conduct and highlight 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 state the Company's policy to compete fairly and ethically in the conduct of business in all of our markets and provide 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 procedure 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, a dedicated whistle-blowing email account at cdl.ethics.hotline@cdl.com.sg was established.

In 2013, the whistle-blowing policy was reviewed and updates were made to the whistleblowing communication channels. Toll-free lines for callers from Singapore and various regions (i.e. China & Thailand) are now available. Direct email communication channels were also established to the Board Chairman, the Deputy Chairman and the ARC Chairman, for submission of reports involving any Director, Senior Management and the Head of IA. These dedicated channels of communication are set out in the Company's website.

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 risk 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 (RMC), whose members comprise Senior Management and the Heads of Divisions, Business Units and Corporate Functions. The RMC is responsible for ensuring the effectiveness of the risk management framework of the Company, the objective of which is to provide an enterprise-wide view of the risks involved in property investment, development and management activities, and a systematic risk assessment methodology for the identification, assessment, management and reporting of such risks on a consistent and reliable basis. The RMC is mandated to focus on key strategic risks while also ensuring that the business units are responsible for the day-to-day tracking, monitoring and control of risks within their operations.

Since April 2013, a Senior Manager, Enterprise Risk Management, has been appointed to provide the RMC with the quarterly status of 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 RMC 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 RMC had, since 2002, established a formal risk management framework. Within this framework, strategic 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 on-going 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
- 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
- Embed a risk management process into its culture and all its business operations

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. This is 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. In 2013, the Company has also been progressively implementing a Control Self-Assessment (CSA) programme to infuse a greater sense of ownership and accountability in managing risks in the operating divisions. This CSA programme will augment independent audits by the IA team and will add assurance to our Senior Management and the Board that operational risks are being effectively and adequately managed and controlled.

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 on-going 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. 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 RMC is responsible for overseeing the maintenance of the BCP. Procedures and processes of the BCP include identification of alternate recovery centres, 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 RMC 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.

Information technology (IT) risks

The Company has maintained an uncompromising stand on information availability, control and governance, as well as data security. Over the years, we have adopted a multi-pronged approach to effectively manage our information risks. Up-to-date information security policies are implemented and enforced company-wide. High availability and resilience are built into all critical information systems. Our enterprise IT systems and infrastructures are constantly monitored to proactively identify and mitigate risks. IT disaster recovery exercises are carried out regularly to ensure uptime business recovery objectives are met. Since 2013, an IT Risk Framework has also been established to formalise risk governance, approach and assessment of IT related risks and will be implemented progressively across the Company. At the staff level, information security materials are put in place to educate employees of the prevailing risks when handling corporate data. Finally, to ensure effective IT risk management, external security consultants are engaged annually to review and enhance our IT risk posture.

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 and to reduce the workplace safety and health risks. 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 to the ISO 14001 Environmental Management System and OHSAS 18001 Occupational Health and Safety Management System, and audited on an annual basis.

Through this system, the Company identifies key EHS hazards, determining the risk level based on a quantitative 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 involves setting objectives and targets, establishing programmes and / or putting in place work procedures and work instructions.

The guiding principle in EHS risk management 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 monitored by the Management Representatives and audited annually by internal and external auditors. Irregularities and possible deviations are identified for prompt rectification and continual improvement.

M&C

The risk management activity of M&C, the Group's hotel arm, is directed by its Executive Management Committee, led by its 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 (a) 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 (b) the progress of the risk treatment plans devised to eliminate, minimise or transfer risks. The board 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 2013, pages 26 to 30.

On the EHS front, M&C's UK region has published and launched policies and procedures accredited to the British Standards Institute for its Occupational Health and Safety Management System, compliant with OHSAS 18001. Management of M&C's European region is currently in the process of rolling out across the remaining UK hotels the system 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 environment impact and actively seeks ways to reduce it through improvements in its hotels' operating infrastructure and by modifying work practices, the hotel management also works with its suppliers to minimise the environment impact of their activities. Environmental performance is also being integrated into the operational objectives of 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 consumption³.

People engagement

Recruiting the right people and providing a conducive work environment are fundamental to the success and sustainability of a company. CDL takes a three-pronged approach to our talent engagement efforts – developing, engaging and caring for our employees. We are also committed to creating a safe and healthy workplace.

With this in mind, we are constantly innovating to implement creative initiatives to enhance employee engagement, such as a well-being programme to encourage our employees to live healthily.

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

Human rights

The construction industry engages over 300,000 foreign workers⁴ and although CDL does not directly employ foreign workers, as a developer, we have both a responsibility and opportunity to contribute to the dignity and safety of workers employed by our builders. We work with our builders to improve the living and working conditions of their foreign workers.

Singapore takes the promotion and protection of human rights seriously. Its adherence to human rights principles is built on the rule of law and adapted in the interests of the nation. It has ratified 20 International Labour Organization Conventions, including five Core Conventions. They cover the four key areas of employment standards: child labour; forced labour; collective bargaining and equal remuneration. Singapore is ranked 18th in the world (out of

187 countries and territories) in the United Nations' (UN) Human Development Index⁵.

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) 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.

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 favorable work conditions in an undiscriminating 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 Please refer to M&C's Annual Report 2013, which is available online at www.millenniumhotels.com, pages 22 to 25 for details on its CSR performance.

⁴ Source: MOM foreign workforce statistics, as at 30 June 2013.

⁵ Source: UN Development Programme, 2013 Human Development Report.

To facilitate the well-being of foreign workers during their working stint in Singapore, a division within the within the MOM, the Foreign Manpower Management Division, was set up to enhance workplace standards for foreign workers and enforcement of foreign workforce policies. Foreign workers are informed of their rights under the Employment Act even before arrival in Singapore and we ensure that our practices are aligned with the broader national policy pertaining to foreign workers.

In 2012, CDL issued a Corporate Statement on Human Rights which includes working with our appointed builders to ensure that the foreign workers at our construction sites are provided with 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.

Product stewardship

We embrace our privileged position as Singapore's Trusted Property Pioneer and will continue to strive towards surpassing our homebuyers' expectations in product quality and service excellence.

In Singapore, the real estate industry is guided by strong regulatory practices to ensure a high standard. When developing new properties, CDL goes beyond compliance requirements and sets targets surpassing legislation on building standards (e.g. the BCA CONQUAS⁶, Buildability and Quality Mark Scores). These standards are administered by BCA – Singapore's governing body for the built environment.

⁶ BCA CONQUAS: Construction Quality Assessment System by BCA.

⁷ This Code seeks to promote a high standard of ethics in advertising by self-regulation against the background of national 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.

Creating value

CDL develops a wide range of properties from mass market executive condominiums to luxury homes. Regardless of property type, we believe that sustainability can be a differentiator with buildings being resource efficient, both in construction and operation. We continue to embed the principles of Universal Design – 'design for all people' into all of our projects, over and above the mandatory requirements specified in the Code of Barrier-Free Accessibility by BCA.

We are mindful of developing buildings that are inclusive and respond to differing customer needs. Our design brief includes features that encourage community-building and social integration. Our 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.

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 Ting
General Manager
Property & Facilities Management Division
City Developments Limited

Ethical marketing practices

A set of internal procedures and an operations manual has been in place since 2000 to guide our marketing and leasing procedures. These are reviewed annually to reflect developments in marketing, technology, regulation and stakeholder expectations.

Marketing collaterals produced by the Company are compliant with advertising and promotion standards in Singapore, namely the Singapore Code of Advertising Practice⁷ 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. They ensure compliance with the rules and regulations stipulated by the various Singapore government bodies, Singapore Code of Advertising Practice and SPH's company policies.

CDL also strictly adheres to the Housing Developers Rules (HDR)⁸, 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 employees 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 CDL ethics officer

Postal address:

36 Robinson Road

#19-01 City House

Singapore 068877

Email: cdl.ethics.hotline@cdl.com.sg

Toll-Free Number (Singapore):

1-800-226-1706

Environmental conservation

EHS policy

CDL has in place an established corporate EHS Policy, which reflects our commitment towards a 'Safe and Green' culture. Aligned with this policy are a series of Key Performance Indicators (KPIs) for departments contributing to our EHS performance to report against. The aim is to ensure that we achieve a consistently high EHS standard across the organisation.

⁸ The HDR looks at matters such as mandatory information to homebuyers, provision of track record of developers, option procedures etc. More details on the HDR can be found at www.ur.gov.sg.

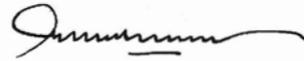
⁹ The BCA Green Mark is a green building rating system used in Singapore to evaluate a building for its environmental impact and performance. It provides a comprehensive framework for assessing the overall environmental performance of new and existing buildings to promote sustainable design, construction and operations practices in buildings. There are four levels – Certified, Gold, Gold^{Plus} and Platinum. Since 2008, a minimum standard that is equivalent to the Green Mark Certified Level is required for all new buildings with Gross Floor Area (GFA) of more than 2,000 m².

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
Deputy Chairman
City Developments Limited

Revised on 17 February 2014

Climate change commitment

CDL is supportive of Singapore's national carbon target to reduce its greenhouse gas emission by some 16% below Business-As-Usual levels by 2020, contingent on a legally binding agreement, in which all countries implement their commitments in good faith. We have set a target to reduce the Company's carbon intensity emissions by 22% by 2020 (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 to Singapore's BCA Green Mark Gold^{Plus} rating⁹ by incorporating innovative green features to support the Singapore Government's pledge towards sustainable development and carbon target.

Green procurement policy

To reflect the values we uphold in terms of reduced or more efficient use of resources, we have in place Green Procurement Guidelines to influence the selection of vendors and suppliers at our Corporate Office.

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

With the launch of G4 guidelines by the GRI in 2013, we are taking this opportunity to embark on a gap analysis to identify areas for improvement based on this new framework.

We truly believe the return on investment of sustainable practices is not measured simply by financial savings or awards received and that best practices in sustainability will bring about priceless environmental and social benefits. We will continue to strive towards our CSR goals to create a positive impact on our society and our environment for a sustainable future.

able

to shape an industry

CDL has been the leader in CSR for the last two decades. As an established developer committed to green building development and best practices in EHS, we are in the position to engage and influence our extensive network of suppliers and partners. Through astute supply chain management, we take pride in setting standards for sustainable practices and driving change in Singapore's built industry. We strive to actively engage our stakeholders with dynamic processes and innovative solutions that maintain a balanced triple bottom line.

As a business and community leader, CDL is driven to consistently achieve new benchmarks of CSR excellence for our stakeholders.

Our stakeholders

CDL defines our stakeholders as groups whom we impact through our business in a significant way and whom have a vested interest in our operations. We have mapped our stakeholders into key groups and we continually review this landscape to ensure we understand their views, communicate effectively and respond to their concerns on issues of interest.

Our main stakeholder groups comprise our builders and suppliers, customers, employees and the local community. Other groups we address include the media, regulators, non-governmental organisations (NGOs), and representatives of the capital market.

How we engage

builders & suppliers

- CDL 5-Star Environmental, Health and Safety (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
- Longstanding partner of various national programmes

customers

- Universal Design Policy to create an inclusive built environment
- Innovative green features in buildings to help reduce water and energy consumption
- 'Let's Live Green!' outreach programme 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



investors & media

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

employees

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



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
- Arts programmes to promote greater appreciation of the arts
- Charitable donations and active volunteerism to help the underprivileged
- Ongoing advocacy of Corporate Social Responsibility (CSR) through sharing sessions

People engagement

We aspire to create an organisation where we have highly engaged employees who are advocates of the CDL brand. Our Human Resource (HR) policies and initiatives contribute towards creating a workplace where our core values – competency, commitment, creativity, co-operation and caring for others and the environment – can be best developed together with our employees. We believe this will not only increase productivity, but will also generate positive outcomes for our customers and partners.

At every level of our business, we seek to educate employees on our CSR approach and inspire action. Education in this area begins with the induction of new employees, and continues through to the provision of opportunities to participate in CSR initiatives and training programmes.

Creating the right environment

Diversity and equal opportunity

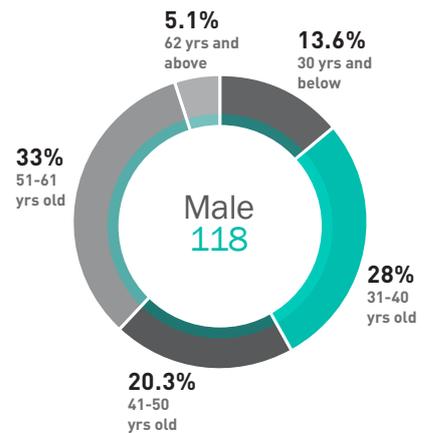
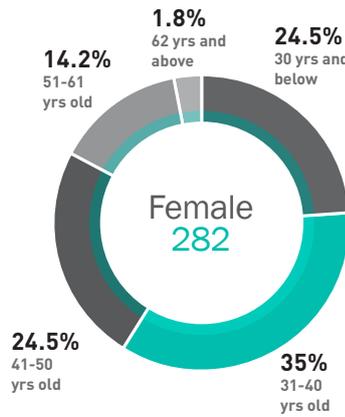
We believe in inclusion and respecting people for who they are and what they bring to the table. We provide equal opportunities for all employees without discrimination.

In terms of gender diversity, we have more females than males in both managerial and non-managerial categories. In 2013, there was a fairly equal number of Heads of Departments (HODs) from both genders.

We have a largely balanced workforce in terms of age, with almost fairly equal distribution

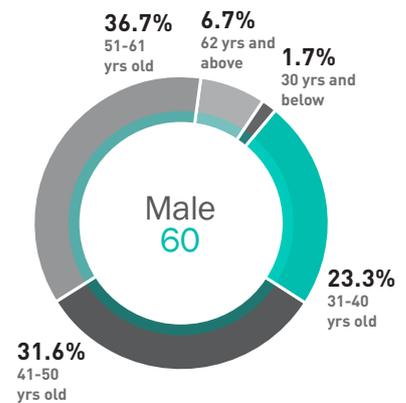
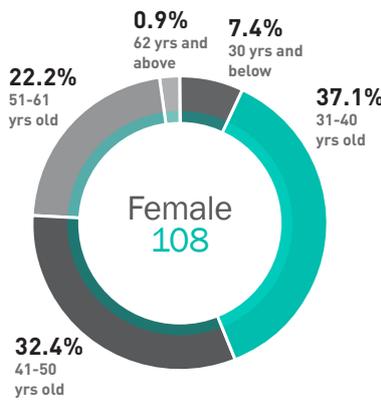
Age Profile

Employees: 400



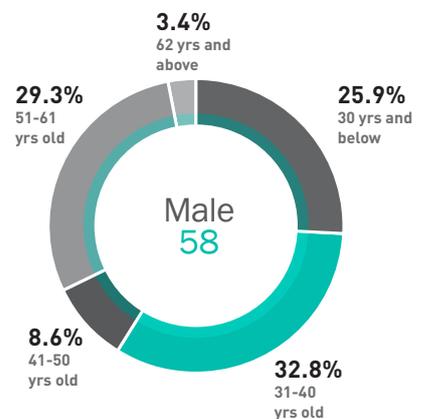
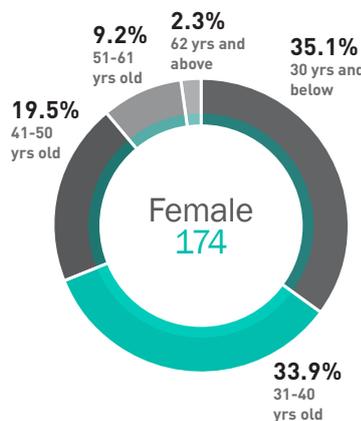
Age Group Managerial

Employees: 168



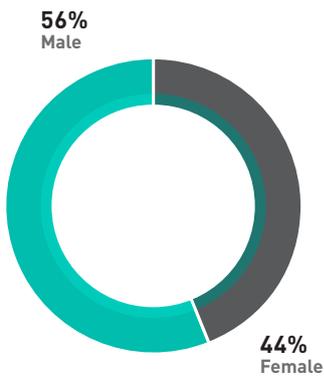
Age Group Non-Managerial

Employees: 232



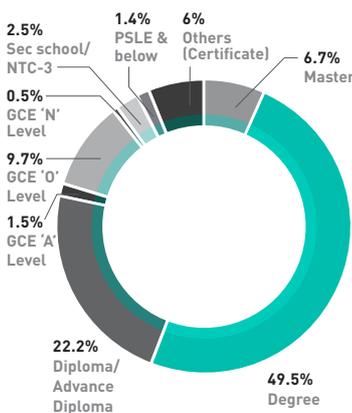
Gender of HOD

HODs: 27



Qualification

Employees: 400



across all age groups, with the exception of 33% being between 31 and 40 years old. With 73% of new recruits born in 1978 or later, GEN Y is the fastest growing segment of our workforce. We embrace their enthusiasm and new ideas. In 2013, 31% of employee promotions went to GEN Y employees.

Job security

CDL adheres to the Tripartite Guidelines on Managing Excess Manpower issued by the Ministry of Manpower (MOM) together with

its tripartite partners, Singapore National Employers Federation and the National Trades Union Congress.

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 providing company retraining programmes for workers, redeployment of workers to alternative areas of work, implementing shorter work weeks, temporary layoffs, 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 notice period of one to three months that needs to be fulfilled, depending on the employee's 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 practices

The Singapore Government has implemented the re-employment legislation¹⁰ in 2012 to enable more people to continue working beyond the current statutory retirement age of 62, up to 65. In future, this might be increased to 67 years of age. The legislation requires employers to offer re-employment to employees with satisfactory performance and who are medically fit.

Since 2005, CDL has implemented a practice of extending re-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 yearly term contract with no change in existing benefits and salary, and are also eligible for all bonus payouts.

As stipulated by legislation, CDL also provides a one-off Employment Assistance Payment, should any employee reach the age of 62 and not meet the necessary criteria for re-employment.

Human rights

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. We not only comply with the Employment Act, 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. Other benefits include the provision of comprehensive insurance coverage for employees.

Employees are eligible for overtime compensation in accordance with the Employment Act.

CPF scheme and retirement

The Central Provident Fund (CPF) is a comprehensive social security savings plan which aims to provide working Singaporeans / Permanent Residents with a measure of financial security and confidence in their old age. CPF contribution is a percentage of the monthly salary and varies according to the employee's age.

¹⁰ 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.

CDL assists employees to make monthly contributions which are deducted from their monthly gross salaries, into their CPF accounts, as required by law. Aside from the employee's contribution of 20%, CDL as an employer contributes an additional 16%, making the total monthly contribution 36%.

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 purpose of the CPF encompasses 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 the 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 security

Pro-family legislation

CDL adopts measures in line with the Government's pro-family legislations. Based on existing legislation, paid maternity leave stands at 16 weeks for mothers whose children are Singapore Citizens at birth. CDL has also provided eligible employees with

childcare leave, extended childcare leave, paternity leave¹¹ and shared parental leave.

To encourage shared parental responsibility, working fathers are entitled to one week of paid paternity leave. Working fathers are also entitled to share one week of the 16 weeks of maternity leave, subject to the agreement of the mother, if she qualifies for Government-Paid Maternity Leave. In 2013, 12 eligible female CDL employees exercised their maternity benefits and 10 returned in 2013 while the remaining two are due to return in 2014. Two eligible male employees exercised their paternity leave benefit, out of which, one employee exercised the Shared Parental leave.

Ninety-six CDL employees with at least one Singapore Citizen child under the age of seven were entitled to six days of paid childcare leave in 2013. In addition, 34 employees with at least one Singapore citizen child aged seven to 12 years were entitled to two days of paid childcare leave in 2013. Close to 100% of eligible employees have utilised these entitlements.

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 impose 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 employment contracts specifying clear employment terms and conditions. We also require our suppliers to adhere strictly to such legislations.

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.

Engaging our employees

CDL conducts an Employee Engagement Survey every two years to measure employee satisfaction and collect feedback. This provides us with insights into areas of potential employee-related concerns.

In 2013, training surfaced as an area for improvement and in response, a competency framework was established to focus on identifying key know-hows required by employees at all levels.

Employee communication

Through regular communication sessions, dialogue 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 Circulars, employees are informed of the latest updates.

In 2013, CDL launched an all-encompassing internal communication platform – CDL 360, which provides employees with opportunities to receive and share information related

¹¹ 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.

to three broad categories: Work, Play and Care. Besides housing corporate information such as employment terms, benefits and practices, and corporate policies, this intranet also features a forum for employees to engage in discussion on corporate issues, sports, photography and travel. A feedback channel is also available for employees to submit their suggestions to various departments for consideration.

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 the 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.

In 2013, our Employee Grievance Handling Policy was enhanced to include a more comprehensive and structured procedure. Updates to the policy include a three-stage procedure where employees can escalate their grievances for resolution; first to their immediate supervisor or Head of Department, followed by the HR Department at stage two. If the grievance is still not resolved at the second stage, a Board of Inquiry consisting of the Group General Manager, a HR representative and a neutral member of the Senior Management team shall investigate and propose a final resolution. All grievance discussions are documented in a Grievance Lodge Form and a follow-up report.

Developing our employees

It is our ongoing commitment to develop our employees holistically through multiple avenues such

as learning and development, performance appraisals and reward and engagement.

Learning and development

Learning and development is an important aspect of the training roadmap for all CDL staff. The Company has policies that provide employees with opportunities for professional development and skills enhancements. Employees are encouraged to be proactive about their own learning. 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. We have also embarked on a project to identify new competencies which are important for the Company.

Training needs analysis is then conducted annually to determine the types of training interventions necessary to level up individual competencies and supervisors are also encouraged to promote the attainment of greater knowledge and skills.

Generally, employees are required to set aside at least four days for training every year.

CDL also believes in nurturing and investing in talents even before they join the organisation. CDL partners with the Building & Construction Authority (BCA) in Singapore 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 eight local undergraduate scholarships. There are currently five scholars in our workforce.

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 2013, CDL offered 17 internship opportunities in various departments which included Projects, Property and Facilities Management, and Marketing.

Fair remuneration

Our compensation packages are aligned to internal parity and market benchmarks. This is to ensure our competitiveness in attracting talent. CDL has a well-structured performance appraisal system where open performance appraisal exercises take place on an annual basis.

We remain committed to meritocracy, and our rewards and compensation policies place emphasis on employees' performance which is judged not only on what is achieved in the review period, but also on how it is achieved, as the latter contributes to the sustainability of the organisation.

Caring for our employees

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 medical and dental benefits, CDL established an EHS Committee that monitors and advises on the Company's Occupational Health and Safety Programme.

Through employee-managed committees comprising representatives from various departments, such as CSC, SC and Work-Life Committee (WLC), we support the wider personal development and well-being of our employees by organising sports, health and volunteer activities. SC also plans activities such as our Annual Staff Day to reinforce employees' team spirit and bonding while the WLC focuses on work-life related initiatives including 'Eat with Your Family Day'.

In commemoration of CDL's 50th anniversary, a staff gala dinner was organised in appreciation of employees' hard work in contributing towards our success over the last five decades. This was also an opportunity for employees to showcase their many talents and our Deputy Chairman also contributed with a segment on nature photographs he had taken over the years. Special awards were also presented to deserving individuals who made significant contributions to CDL.

Total wellness

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

In addition to a healthy snack given to employees once every two months to promote better consumption habits, various lunch talks on stress management, grooming and emotional intelligence are also organised.

Physical health

CDL organises various activities to encourage employees to lead an active and healthy lifestyle. The activities include workout sessions such as yoga, flex max and kickboxing classes. A CDL Dance Festival was also introduced to provide employees the opportunity to try different types of dance. As part of SC, the Sports Sub-committee organises on-going outdoor activities such as dragon boating, bowling, table tennis and futsal, and facilitates participation in various corporate games.

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.

Product stewardship

The quality of our products and services determines how well we perform in the marketplace. Having pioneered green design and innovative engineering solutions for close to two decades, our intent for the future is to not only continue our good efforts, but to leave a lasting impression in the communities that we are a part of.

Product quality

Our customers rightly expect us to develop our properties in a responsible way. We want customers to choose CDL, knowing that we are committed to sustainable practices and that they do not have to compromise on design, functionality, sustainability and price.

Our stakeholders, including customers, in-house experts and professional external consultants, are involved at various stages of developing and managing a truly sustainable building. These stages include concept, design, construction, procurement, maintenance and user engagement.

We are proud to be the most awarded BCA Green Mark awarded private developer to date. In addition, we are honoured to be the first developer to have been accorded the Green Mark Champion Award (2008), the Built Environment Leadership Platinum Award (2009), Green Mark Platinum Champion Award (2011), Quality Excellence Award – Quality Champion (Platinum) (2013) and the first private developer to receive the Construction

Productivity Award – Advocates (Platinum) (2013) from BCA .

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

Product and customer safety

The health and safety of our customers are of utmost importance. Every CDL-managed commercial building is under the care 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.

We have in place an Emergency Preparedness Plan for known building-related emergencies such as flu epidemic outbreaks, fires and major electricity outages. Since 2012, we have also put in place a flood management response plan for commercial buildings. Like mandatory fire drills, CDL now also conducts flood (dry) drills annually to ensure preparedness. CDL Fire Safety Managers (FSMs) are also encouraged to attend the annual FSM briefing by Singapore Civil Defence Force (SCDF) to keep abreast of new changes in regulations and other important notifications.

We have a dedicated EHS leader within the Property Management team to identify common hazards in our buildings and the corresponding preventive measures to share with the Complex Managers. Service providers and contractors are required to do a Risk Assessment prior to any work on site and our Complex Managers review the hazards of the daily operations and mitigate the risks to ensure the health and safety of our customers.

More information on the steps taken to ensure the safety of our products and services can be found on pages 32 and 33.

Customer satisfaction

CDL was the first property developer to set up an integrated customer and call centre in 2001. We believe that the customer experience is one of the determinants of a customer's advocacy of our brand. For homebuyers, from the moment they step into a CDL Show Suite to the handover of keys to their new CDL property, we aim to provide the support they require in making this important process of buying a new home a pleasant one.

Customers are given the ease of accessibility to the Company through various channels of communication, mainly the hotline, site offices and the website. Customer specific information on the progress status of projects under construction and related correspondences are also available on a secured online platform. There is also a structured approach to resolving complaints which are closely monitored and reviewed regularly at inter-departmental meetings.

We also review customer satisfaction through formalised surveys. 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 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.

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

Through these feedback channels, we are able to better understand the expectations of our customers as well as identify the main driving factor in their decision making. Some of our product refinement and service engagement initiatives have started with customer feedback.

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 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.

Compliance

CDL is committed to full compliance on all applicable legal requirements enforced by the local governing authorities such as BCA, MOM, National Environment Agency (NEA), 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 site inspections.

Managing community impact

CDL understands that construction activities at worksites might pose inconveniences to the local community. We define the community as residents who live in the immediate vicinity of a worksite. Aside from complying with applicable legal requirements, we require builders on our development sites to make efforts to communicate with the community and offer avenues where the residents can give comments and feedback.

Prior to the start of key construction stages, our builders conduct surveys. Feedback collected is compiled and analysed, and concerns are addressed. As an avenue for further feedback, contact details are also displayed on strategically placed banners around the worksite and on development project sign boards alongside the information required by regulations.

In 2014, CDL will also start carrying out a public communications plan to inform residents and the administration of developments within a 100 m radius of our development plans for the land parcel¹². As part of efforts to keep the local community informed, we intend to send out flyers with project details, construction schedule and measures to reduce the impact of construction work on the surroundings.

¹² These efforts are in line with Urban Redevelopment Authority's requirements for Government Land Sales.

Community partnership

Beyond the brick-and-mortar, we have always subscribed to the view that a successful business does not just create value for its shareholders, it also delivers a lasting and positive impact on the community it operates within.

Over the years, we have not just shaped cityscapes but have also contributed towards community building. We have been a long-standing advocate of the Government's 3P model which encourages synergistic partnerships between the People, Private and Public Sectors, so that collectively, we can create a positive impact on the community.

While there are many worthy causes to champion, CDL actively supports and runs sustained programmes and outreach activities that are aligned with the Company's four focus areas – environmental conservation, youth development, promotion of the arts and care of the less fortunate.

Raising eco-awareness

For over a decade, CDL has been actively involved in initiatives that help raise eco-consciousness. Beyond our business activities, we have continued to invest significant resources to raise the level of environmental awareness amongst the business community and the community at large, supporting key programmes organised by the Government and NGOs, as well as through CDL-led (or CDL-branded) outreach initiatives. We have stepped up our efforts as the threat of climate change becomes ever more critical.

Our homebuyers

CDL was the first private property developer to launch an environmental

outreach programme for homebuyers in March 2004. A special Temporary Occupation Permit (TOP)¹³ Welcome Party organised for homebuyers following the attainment of the TOP of the development, comprises a host of activities including talks and exhibitions on environmental conservation.

Aside from a sneak peek of their new homes, homebuyers also receive a special Green Living Kit which contains a book with tips on how to lead a green lifestyle and illustrations of all the eco-friendly features in their new home and how to use them.

More than just educating homebuyers on the green features in their new home, this eco-home outreach initiative also aims to encourage homebuyers to incorporate green lifestyle choices like choosing energy-saving appliances and practising eco-friendly habits to reduce their carbon footprint.

Our tenants

For our tenants and the business sector, one key outreach programme is Project: Eco-Office, which CDL initiated with Singapore Environment Council (SEC) in 2002, with the aim of helping businesses implement green practices at the workplace.

To further encourage tenants to make an active contribution towards energy conservation, we launched the '1°C Up' initiative in 2007. Permission from tenants to raise the air-conditioning temperature in their office by 1°C was sought and this initiative has become a standard Business-As-Usual practice at 12 CDL-managed buildings, putting the indoor temperature at an average of 24°C. Since 2009, CDL has achieved a 100% tenant participation rate.

CDL has also been supporting SEC's Asian Environmental Journalism Awards (AEJA) since 2012. Asia's first

environmental journalism awards, AEJA aims to recognise and reward excellence in environmental journalism at all levels of society. The CDL Environmental Journalist of the Year Award recognises professional and / or citizen journalists who have established an outstanding body of environmental articles.

Other organisations CDL have engaged and supported include China Exploration & Research Society, Eco-business.com, NEA and National Parks Board.

Cultivating CSR champions of tomorrow

Youths are increasingly taking on the role of change makers in society. We wish to empower youths to embrace meaningful causes they are passionate about so that they can contribute to community building. The main objective is to nurture youths, encourage them to play an active role in the community, as well as to develop their leadership potential.

Apart from partnering educational and relevant government organisations, CDL has also kick-started many youth-targeted national-level initiatives to encourage the development of thought leadership and foster youth interest in key topics such as the environment and CSR.

In 2013, CDL supported the inaugural Youth Forum on CSR organised by Singapore Compact for CSR (Singapore Compact), as well as numerous local and overseas youth-led initiatives.

Nurturing creative talents

Art is an important form of creative expression and as Singapore strives to transform into a global city for the arts, CDL supports this vision by

¹³ In Singapore, the Commissioner of Building Control will issue the 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.

actively encouraging and promoting the local arts scene.

For over a decade, we have provided opportunities for local artists and photographers to showcase their talent and creativity, through open competitions such as the CDL Singapore Sculpture Award and the CDL Singapore Young Photographer Award.

In 2013, we completed a Community Investment Scorecard exercise based on the London Benchmarking Group (LBG)¹⁴ model for impact measurement. An independent CSR consultant was commissioned to undertake an evaluation of one of our signature arts initiatives – the CDL Singapore Sculpture Award, to better understand the community value and business impact of the award. The evaluation included engagement with art-related government stakeholders, the local sculpture community and the teachers and students involved in the youth category of the award.

The evaluation revealed high awareness levels of the award amongst veteran and budding sculptors / artists in Singapore. There has been year-on-year increase in the number of applications for the award, indicating growing awareness and recognition. The award has also successfully reached out to students and youth. For example, through the Introduction to Sculpture Workshop, which was part of an outreach activity introduced for the 5th CDL Singapore Sculpture Award held in 2013, CDL provided the opportunity for students to learn more about the three-dimensional visual art form and sculpture appreciation for the first time. Sixty per cent of teachers surveyed were not aware of businesses other than CDL which proactively approach schools to engage their students in art and sculpture. We are currently reviewing

other recommendations from the evaluation and will endeavour to apply the relevant suggestions to improve future awards.

In recognition of CDL's continuous contribution to Singapore's cultural heritage and artistic legacy, we have been presented the Friend of the Arts Award since 2007 and Distinguished Patron of the Arts Award since 2011, honours given out by the National Arts Council in Singapore.

Beyond philanthropy

Community engagement for CDL has evolved in the last five decades from a strong tradition of philanthropy and charity to a dynamic strategy to initiate and support programmes that have clear developmental and sustainable objectives to help beneficiaries. Sharing our success with the community and giving back is in line with the philosophy of the late Mr Kwek Hong Png, founder of Hong Leong Group Singapore, CDL's parent company.

Aside from CDL's monetary donations, the Company has always believed in engaging our stakeholders with active employee volunteerism being a key driver. To this end, CDL has a dedicated employee volunteer arm, CSC, which was established in 1999 by our Deputy Chairman and then-Managing Director, Mr Kwek Leng Joo, to nurture a spirit of volunteerism among employees and cultivate an engaged workforce.

Through CSC, the Company is able to facilitate and encourage employees and their families to lend a helping hand to the less fortunate through a broad range of structured programmes that reach out to the underserved. CSC has grown from strength to strength in the last decade, having established a broad range of community programmes that include

an elderly befriending programme and a development mentoring programme for children at risk, as well as supporting other community activities through volunteerism throughout the year.

CSR advocacy

CDL takes pride in being the forerunner and a firm advocate of CSR since the mid-1990s when the level of awareness, concern and action about Climate Change in this part of the world and the industry was still low.

Today, we are glad to be seen to have foresight and perseverance to drive change in the industry since the early days, and to be regarded as a green champion not only within the building industry but also in the business sector.

We have been playing an active role in advocating CSR and green practices via community engagement activities and high profile national initiatives. CDL is also represented in various noteworthy international organisations in order to learn, share and contribute meaningfully for the benefit of the community.

We are on the Corporate Advisory Board of the World Green Building Council and a board member of the Singapore Green Building Council. We are also a founding member of the Business Council for Sustainable Development Singapore. Our Deputy Chairman Mr Kwek Leng Joo is the President of Singapore Compact and is also a member of the Climate Change Network, a consultative set-up advising the National Climate Change Secretariat, Singapore.

In 2013, the United Nations (UN) Global Compact and the Royal Institution of Chartered Surveyors (RICS) set up the High-Level Steering

¹⁴ 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.

Group for the Development of Global Guidance for the Real Estate, Land and Construction sector, consisting of 15 UN Global Compact business participants from the land, real estate and construction sector and key users, as well as a small advisory group of other relevant UN agencies, academic institutions and NGOs, to achieve the following objectives:

- To identify key challenges and opportunities for the land, real estate and construction sector relating to the Global Compact's issue areas and UN's goals;
- To actively engage UN Global Compact participants from the land, real estate and construction sector as well as associated users and stakeholders to capture and scale up existing best practice efforts and initiatives in applying and implementing the 10 Principles of the UN Global Compact; and
- To elaborate on the 10 Principles of the UN Global Compact to develop sector-specific practical guidance tailored to the needs of the land, real estate and construction sector and its 'downstream users', by starting a constructive intra-sectoral dialogue.

CDL is honoured to have been invited to be a part of this UN Global Compact / RICS High-Level Steering Group and looks forward to contributing to its success.

More details of community initiatives and the impact we create can be found in Chapter Three: Able to Create Lasting Value.

Environmental conservation

Climate change has taken a backseat to high speed technological and

economic developments for years. However, the impact of climate change has been felt through extreme weather events all over the world. The Intergovernmental Panel on Climate Change (IPCC) has pointed to a changing pattern of extreme weather since 1950s, with more heatwaves and downpours, as the Earth has warmed by about 0.7°C¹⁵. IPCC has concluded that it is 95% likely that most of the rise in global average temperature is due to emissions of greenhouse gases (GHG), deforestation and other human activities.

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 standard as the first private property developer in Singapore to be certified to ISO 14001 Environmental Management System and OHSAS 18001 Occupational Health and Safety System for Property Development and Project Management. In 2007, CDL received both the ISO 14001 and ISO 9001 Quality Management Systems certifications in Property Management.

The scope of the ISO 14001 certification was further expanded in 2008 to cover Corporate Management and Operations for all functions and OHSAS 18001; in 2011, it grew to cover the Property Management of our 15 commercial buildings.

CDL's EHS Management System adopts the Plan-Do-Check-Act methodology which provides a

systematic process in reviewing the present practices and work processes to ensure they are efficient and effective. It allows CDL to manage the environmental aspects of its activities and mitigates the risks employees are exposed to. With integration into our business operations and processes, the methodology allows us to review it on a regular basis to achieve continual improvement in our EHS performance.

Training, awareness and communication

To cultivate a 'Green and Safe' corporate culture, EHS training and awareness programmes are planned for all CDL employees to raise their EHS awareness. 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. CDL is committed to working with our builders to prevent non-conformances, and provides a hotline number for the public to provide feedback about our worksites.

Compliance

CDL is committed to full compliance on all applicable EHS legal

¹⁵ IPCC Report Climate Change 2013: The Physical Science Basis

requirements enforced by the local governing authorities such as BCA, MOM, NEA, 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 2013, a total of 14 fines were imposed on our builders over 19 worksites and two fines on our investment buildings. Eight were for vector breeding, one for working beyond allowable hours, five for performing construction activities above the noise limit and two for damage to main water pipes. One stop work order was also received from NEA for creating conditions favourable for the breeding of mosquitoes. An investigation was immediately conducted to identify the control lapse and the issue was rectified by removing stagnant water and stepping up inspection frequencies for the entire site. To prevent future occurrences, we have reviewed our current processes to improve and tighten the procedures on worksites.

Our CDL 5-Star EHS Award and monetary rewards are provided as an incentive for builders who deliver good EHS performance. Similarly, with effect from 2013, penalties have been added for builders of

all new projects for contravening safety infringements. These were formulated as part of an on-going review of our EHS system to maintain high 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. Internal EHS audits are conducted by trained staff 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 of our business operations that can potentially have significant environmental impacts. The risk level of each environmental aspect is determined using a quantitative 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 monitors 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 Standard Operating Procedures and work instructions.

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 sources. 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, the Energy Conservation Act came into effect in April 2013. This new Act has no impact on CDL's direct operations. CDL has also set a minimum BCA Green Mark Gold^{Plus} target 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.

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 emits lower levels of GHG, sulphur 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. In fact, CDL donated Singapore's first purposefully built zero energy Green Gallery in 2013 to the Singapore Botanic Gardens, in celebration of our 50th anniversary. The Gallery's PV clad roof panels are expected to generate an annual energy yield of over 31,000 kWh, which is more than the Gallery's estimated annual energy consumption of about 30,000 kWh/year.

CDL has also introduced various energy conservation and efficiency improvements projects in our investment properties. For some investment properties, sensors are installed to monitor carbon dioxide levels in offices, and carbon monoxide levels in the basement car park.

The upgrading of the chiller plant and replacement of the less efficient lightings at the office lobby, corridors, carpark and staircases for Central Mall Office Tower, in 2013, is estimated to reap annual energy savings of 577,279 kWh, equivalent to the annual electricity usage in 103 Singapore households¹⁶.

Water

We recognise that water is a constrained but essential resource key to the sustainability of our business. Even though Singapore has a high baseline water stress score¹⁷, the country is consistently held up as an exceptional water manager. Singapore invests heavily in technology, international agreements and responsible management, allowing it to meet its freshwater needs. The Government has developed a robust, diversified and sustainable water supply from four different sources known as the Four National Taps (water from local catchment areas, imported water, reclaimed water known as NEWater¹⁸ and desalinated water).

CDL's new developments are conceptualised with a strong focus on water sustainability right from the design stage and construction process all the way to the building's water efficient features. From the planning stage for our developments, our architects and designers are encouraged to incorporate water-efficient features such as

auto-irrigation to landscaping using recycled water and drought-resistant plants.

From the onset of construction, we have made it a priority to closely monitor and explore innovative ways to conserve water at our work sites. In 2004, we introduced the Silt Water Treatment cum Water Recycling System in an effort to reduce the volume of potable water consumed.

In this system, silt water generated at the work sites is treated and recycled into usable water for washing and general cleaning purposes to supplement the use of potable water. The system consists of a water storage tank where wastewater is collected, treated and stored for general site cleaning and washing, sanitation and irrigation. We have since improved the system to increase the quantity and quality of recycled water which resulted in wider usage of the recycled water, which now includes plastering and concreting, water ponding tests, window water tightness test, piping pressure and leak tests.

Where possible, grey water is also collected for appropriate use such as flushing and washing drains. In addition, as part of our green specifications for facilities at our project sites, self-closing taps are installed to help save water.

Our builders actively comply with our requirements to monitor and manage the water consumption at all our construction sites and submit monthly reports. Where the water used exceeds the allowable target, builders are required to provide an explanation. These reports are also then collated as part of our water management efforts to benchmark usage at various stages of construction across all our worksites.

As part of Integrated Management System objectives under ISO 14001, we monitor water consumption of all commercial buildings on a monthly basis against the respective targets set. Measures in place include the comprehensive use of water-efficient fixtures and fittings which have 'very good' or 'excellent' Water Efficiency Labelling Scheme (WELS) rating, use of alternative water sources (such as using NEWater for cooling tower and fire protection systems) and use of drought-tolerant plants for green roofs, to reduce the need for frequent irrigation. Eleven of our buildings are certified as 'Water Efficient Building' by the Public Utilities Board (PUB).

Responsible water management will benefit our tenants and homebuyers through cost savings and a reduction in the risk of exposure to future potential legislations. In recognition of our significant contributions towards Singapore's water sustainability, CDL was one of the first recipients of the the inaugural Watermark Award by the PUB in 2007. CDL is also a pioneer winner of PUB's Active, Beautiful and Clean (ABC) Waters certification¹⁹ for a number of our developments since the inception of the certification in 2010.

Waste and resource management

Singapore has limited space for landfills and all incinerated waste that is not recovered, reused, or recycled, is disposed at four waste-to-energy incineration plants across the island. In view of national constraints, CDL has 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 reduce

¹⁶ The average monthly electricity consumption of households was 467.5 kWh. Source: Singapore Energy Statistics 2013, www.ema.gov.sg.

¹⁷ The ratio of total annual water withdrawals to total available annual renewable supply. Source: World Resources Institute's Aqeduct project.

¹⁸ NEWater is treated used water that has undergone a stringent purification and treatment process using advanced dual-membrane (microfiltration and reverse osmosis) and ultraviolet technologies.

¹⁹ The certification recognises developers who embrace the ABC Waters Concept, and incorporate ABC Waters design features holistically in their developments.

material waste. These 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 new CDL developments wherever possible. Since December 2009, a Construction and Demolition Waste Policy has been put in place for the adoption of sustainable construction practices. This policy guides the monitoring and recycling of construction waste, and mandates the use of sustainable products. For development sites with existing buildings, we adopt BCA's Demolition Protocol whereby we conduct a pre-demolition audit to identify the type and quantity of materials which are capable of being recovered for recycling, such as concrete, bricks, metals, and wood / timber. During the actual demolition process, the identified materials are carefully dismantled and salvaged for reuse and recycling.

Waste generated is non-hazardous in nature and disposed in accordance with NEA's waste management system. CDL also has a variety of Silt and Earth Control Measures implemented at all worksites to ensure that the water discharged into the waterways only has readings of up to 40 mg/litre for Total Suspended Solids (TSS), below the legal limit of 50 mg/litre .

In the buildings that we manage, we have various initiatives such as paper recycling programmes. In addition to paper recycling, a new initiative was introduced in 2013 where CDL collaborated with Global Lamp Recyclers to recycle used lamp tubes in our effort to reduce the risk of land pollution, by diverting mercury from the landfills.

As part of our environmental education and outreach efforts, new tenants are also presented

with a Project: Eco-Office Kit to promote the 3Rs – reuse, reduce and recycle. Recycling corners, containing segregated waste disposal bins, are strategically located and made accessible to building tenants in order to promote and cultivate the practice of recycling.

Green procurement

Where feasible, CDL has used recycled or sustainable materials as an environmentally-friendly alternative in the construction of our developments. 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.

In 2013, for the first time in Singapore, a biomaterial known as Hempcrete (largely made from the hemp plant), which is a mixture of hemp core, lime binders, and water was used for external wall cladding. This thermally efficient material, which is ideal for Singapore's humid climate as it creates good indoor air quality, was used in the construction of the CDL Green Gallery. It is also highly durable, and naturally pest-, mould-, mildew- and fire-resistant.

CDL's marketing communications publications use eco-friendly paper, the 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.

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 System over a one-year period. The assessment system and award have been instrumental in influencing and 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 to synergise with Singapore's 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.

While 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 System, where applicable, after a trial run and refinement of criteria. The current assessment criteria takes the lead from requirements mandated by relevant government agencies and goes beyond local compliance²⁰ to ensure that in the instances where there are on-site workers' housing, employed workers are treated with dignity and respect and our award scope was expanded to further encourage builders to take this aspect seriously.

CDL's appointed builders are not only required to comply with labour rights of workers employed by them at the worksites, they also have the responsibility to take all necessary measures to provide safe, clean and dignified living and working conditions, without risks to the health of workers. For instance, there must be vector and pest control programmes, and site offices and toilets must be equipped with basic amenities such as electricity, water, adequate lighting and proper ventilation.

CDL is the first corporation to receive the LOO (Let's Observe Ourselves) Award in 2013 from the Restroom Association of Singapore, in recognition of the Company's efforts in championing clean toilets at our

worksites. This accolade reflects the Company's commitment towards workers' welfare and a clean environment.

In addition to the CDL Workers Welfare Award, a survey was conducted to understand how happy the workers working on CDL sites are. Called the 'Workers Well-Being Survey', responses from over 70 workers in seven development sites were obtained and results show that 100% of them feel safe working on a CDL site and are happy with the general housekeeping; 97% are happy with the sanitation provided and 83% are happy with the resting areas. Above all, 100% of the workers felt safer and more productive working in a cleaner and more environmentally-friendly site environment that adopts the usage of more prefabrication components.

With our builders' support, CDL's environmental performance at worksites has remained fairly consistent while obtaining commendable results in other key aspects. This includes an Accident Frequency Rate (AFR) of 0.72 accidents per million man-hours worked for the year 2013, which is significantly lower than the industry average AFR of about 2 over the same period.

In our procurement of consultants and contractors, we place considerable emphasis on their EHS culture and track record. Upon appointing each qualified firm, the top management of these firms pledge their EHS commitment which

also serves as a further reminder to the firms to work together with CDL to ensure high standards in health and safety are maintained in our projects. CDL's influence has 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. All main builders of CDL projects are required to attain both certifications.

²⁰ 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.

🔍 In focus

D'Nest – a sustainable development

D'Nest is a 912-unit nature-inspired luxury condominium. The design of the development is based on the concept of a 'Green Habitat' to provide a seamless integration with its natural surroundings.

D'Nest has set a new record in Singapore Book of Records for the 'Largest Solar Panels In A Condominium'. Solar panels measuring a total of 1,520 m² will be installed on the development's roof tops to harness solar energy to offset the electricity consumption for common areas within the development, potentially reducing the monthly maintenance fees payable by residents.

Eco-friendly design and construction

- **Passive Architecture Green Design:** Design that allows for natural ventilation and daylighting in common areas such as lift lobbies and corridors
- **Sustainable Materials for Construction:** Extensive use of materials including green cement, eco concrete and eco-friendly materials with recycled content

One Olympic pool = 2,500 m³

- **Energy Saving Features:** LED light fittings, motion sensors at common staircases, toilets and refuse chute areas, photo sensors at lift lobbies and carbon monoxide sensors in carparks to activate exhaust fans during peak hour usage
- **Water Saving Features:** Rainwater collection system and automatic water efficient irrigation system with rain sensors for irrigation of landscape
- **Recycling Features:** Dedicated pneumatic recycling chute on every level and use of recycled compost from horticulture waste for landscaping purposes
- **Efficient Home Fixtures and Fittings:** Provision of gas water heaters, four ticks energy efficient air-conditioning systems and 'very good' and 'excellent' rated sanitary fixtures and fittings for all units

Key innovative installations

- **Electric Car Charging Lots:** To promote the use of electric cars
- **Hyflux Water Filtration System:** Installed in every kitchen for instant purified water to save energy from reduced need for boiling

- **Eco Plug (Energy Monitoring Device):** Provided for all units to create awareness and to educate residents in energy consumption monitoring

Other notable facts

- The targeted electricity generation of the solar panels system is approximately 600 kWh/day. This means potentially harnessing 219,000 kWh of energy, which translates into approximately over \$60,000 saved in electricity bills a year
- **Expected Energy Savings:** 3,526,431 kWh per year (equivalent to annual electricity used by 629 households)
- **Estimated Water Savings:** 41,849 m³/year (equivalent to 27 Olympic pools#)

D'Nest was accorded the BCA Green Mark Gold^{Plus} Award.

able

to create lasting value

Against traditional business thinking, CDL has championed and embraced Corporate Social Responsibility (CSR) for two decades. Incorporating principles of sustainability as an integral part of our business model has not only led to healthy financial growth, but also made CDL the leader in social change and environmental stewardship. More importantly, this has propelled us towards continuous improvements and further growth for the benefit of all our stakeholders, creating value that will leave a lasting impression.

Summary of financial, social and environmental performance

Financial impact

5-year financial highlights

Year	2009	2010 ⁽³⁾	2011	2012	2013
Revenue	\$3,273 m	\$3,103 m	\$3,280 m	\$3,354 m	\$3,162 m
Profit before tax	\$832 m	\$1,067 m	\$1,136 m	\$960 m	\$892 m
Profit for the year attributable to owners of the Company	\$593 m	\$784 m	\$799 m	\$678 m	\$683 m
Net gearing ratio	0.40	0.29	0.21	0.25	0.20
Return on equity	9.9%	12.5%	11.7%	9.3%	8.7%
Net asset value per share	\$6.57	\$6.89	\$7.51	\$8.03	\$8.63
Basic earnings per share	63.8 cents	84.8 cents	86.4 cents	73.2 cents	73.7 cents
Dividends					
a) Ordinary dividend (gross) per share					
- final	8.0 cents ⁽¹⁾	8.0 cents ⁽¹⁾	8.0 cents ⁽¹⁾	8.0 cents ⁽¹⁾	8.0 cents ⁽²⁾
- special interim	-	-	5.0 cents ⁽¹⁾	-	8.0 cents ⁽¹⁾
- special final	-	10.0 cents ⁽¹⁾	5.0 cents ⁽¹⁾	5.0 cents ⁽¹⁾	-
b) Preference dividend (net) per share					
	3.90 cents ⁽¹⁾				

Notes

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

⁽²⁾ Final tax-exempt (one-tier) ordinary dividends for the financial year ended 31 December 2013 had been approved by the ordinary shareholders at the Annual General Meeting held on 23 April 2014.

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

Capital management

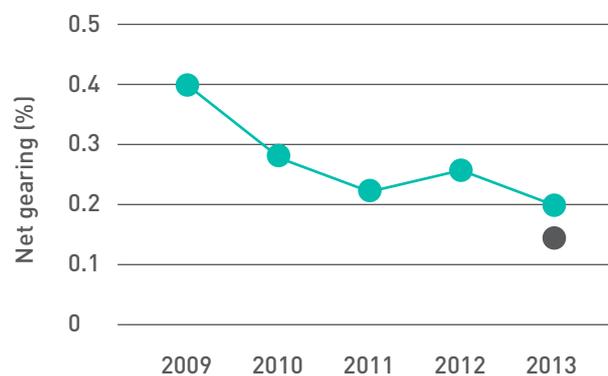
	As at 31/12/2013	As at 31/12/2012
Cash and cash equivalents	\$2,871 m	\$2,162 m ^(a)
Net borrowings	\$1,968 m	\$2,357 m
Net gearing ratio ^(b)	0.20	0.25
Net gearing ratio if fair value gains on investment properties are taken in	0.14	0.18
Interest cover ratio	15.2 times	17.4 times

Notes

^(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.

Net gearing



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

CDL's financial information is described in more detail in our Annual Report 2013. Current and previous reports are available online at www.cdl.com.sg.

Environment impact

Energy used	2009	2010	2011	2012	2013
CDL Worksites (kWh/m ²)	46	27	49	38	34
CDL Worksites (MWh)	8,248	4,613	5,150	5,838	5,074
CDL Commercial Buildings (kWh/month/m ²)	17.70	16.73	16.39	15.16	16.43
CDL Industrial Buildings (kWh/month/m ²)	9.75	9.01	8.16	7.28	8.15
CDL Commercial and Industrial Buildings (MWh)	52,640	66,568	60,567	56,213	55,743
CDL Corporate Office (kWh/m ²)	91	86	84	88	86
CDL Corporate Office (MWh)	558	528	513	596	581
CDL Total Energy Used (MWh) ⁽¹⁾	61,496	71,708	66,230	62,647	61,398
Water used					
CDL Worksites (m ³ /m ²)	0.8	1.1	1.2	1.3	1.0
CDL Worksites (m ³)	150,176	182,859	127,426	191,160	143,880
CDL Commercial Buildings (m ³ /month/m ²)	0.19	0.14	0.14	0.15	0.16
CDL Industrial Buildings (m ³ /month/m ²)	0.09	0.08	0.08	0.08	0.12
CDL Commercial and Industrial Buildings (m ³) ⁽²⁾	453,382	581,784	555,093	567,389	573,153
CDL Corporate Office (m ³) ⁽²⁾	NA	NA	2,737	3,065	3,107
CDL Total Water Used (m ³)	603,558	764,643	682,519	758,549	717,033
NEWater Used at CDL Commercial Buildings (m ³)	101,412	123,344	136,269	125,981	121,122
Construction waste					
Generated at CDL Worksites (kg/m ²)	61.70	46.50	24.50	43.92	30.24
Generated at CDL Worksites (tonnes)	11,160	8,071	2,552	6,671	4,544
Paper recycling					
CDL Commercial and Industrial Buildings (kg)	320,233	374,050	361,397	647,789	672,188
Tenants Participation Rate at CDL Commercial and Industrial Buildings (%)	>90%	>90%	>90%	>90%	>90%
Paper use					
CDL Corporate Office (number of A4 reams)	4,395	3,774	3,488	3,544	3,195
Carbon emissions (tonnes CO ₂)					
CDL Worksites	4,137	2,196	2,452	3,004	2,525
CDL Commercial and Industrial Buildings	26,429	31,693	28,836	28,927	27,743
CDL Corporate Office	280	251	244	307	289
CDL Business Travel	78	81	57	65	73
Total Carbon Emissions	30,924	34,221	31,589	32,303	30,631
Complaints on construction noise					
CDL Worksites (number)	3	4	2	3	1

Social impact

Employee engagement	2009	2010	2011	2012	2013
Employee Turnover Rate (%)	10.7%	13.7%	14.4%	17.9%	14.1%
Employee Satisfaction (%) ⁽³⁾	≥90%	≥90%	NA	NA	NA
Employee Effective Index (%) ⁽³⁾	NA	NA	69%	NA	69%
Medical Leave Taken Per Employee (number of days)	≤4	≤4	4.5	3.8	4.0
Gender Diversification: Females as Heads of Department (%)	57%	55%	50%	46%	44%
Average Service Per Employee (number of years)	8.4	8.8	8.9	8.6	8.6
Total CSR and Environment-related Training (hours)	>3,000	3,694	3,287	1,804 ⁽⁴⁾	2,028
Employee volunteerism					
Participation Rate (%)	85%	60%	71%	89%	77%
Participation Rate (hours)	5,524	2,894	2,838	3,589	2,664
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 manhours worked)	0.38	0.23	0.11	0.14	0.72
- Workplace Injury Rate (WIR) (number of fatal and non-fatal workplace injuries per 100,000 persons employed)	100	63	30	44	178

Notes

⁽¹⁾ Energy conversion ratio: 1 MWh = 3.6 gigajoules (GJ)

⁽²⁾ Water Used at CDL Commercial and Industrial Buildings in 2009 and 2010 includes Water Used at Corporate Office. Water used at CDL Corp Office was tracked from 2011.

⁽³⁾ From 2011, an Employee Effective Index has been incorporated and the Employee Effective Survey takes place once every two years.

⁽⁴⁾ From 2012, only core subjects identified in ISO 26000 were identified as CSR and Environment-related training.

Sustainability rankings, benchmarks and commitments

Sustainability rankings and benchmarks	2009	2010	2011	2012	2013
Asian Sustainability Rating™ (%)	74%	84%	81%	NA [#]	NA [#]
Carbon Disclosure Project	Participated since 2007 and disclosure to the public from 2009				
Dow Jones Sustainability Indices (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	#81	#100	#62	#52
Singapore Quality Class	Certified since 2009*				
Sustainability commitments and certifications	2009	2010	2011	2012	2013
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				
United Nations Global Compact	Signatory since 2005				
ISO 9001 (15 CDL Buildings)	Achieved since 2007				
ISO 14001 (Property Development and Project Management)	Achieved since 2003				
ISO 14001 (Property Management)	Achieved since 2007				
ISO 14001 (Corporate Management and Operations)	Achieved since 2008				
OHSAS 18001 (Property Development and Project Management)	Achieved since 2003				
OHSAS 18001 (Property Management)	Achieved since 2011				
Product quality and sustainability					
New Developments to be well-ranked on CONQUAS	Since 2009				
New Developments to be Certified Building & Construction Authority (BCA) Green Mark Gold ^{Plus} and Above	Since 2011				

Notes

[#] The last Asian Sustainability Rating™ was conducted in 2011.

^{*} Recertified in 2012.

Key CSR awards & achievements

CDL's CSR milestones in 2013/2014	
Regional and international achievements	
Global 100 Most Sustainable Corporations in the World	2010 (81 st), 2011(100 th), 2012 (62 nd), 2013 (52 nd), 2014 (39 th) CDL was once again included in this prestigious global ranking announced annually at the World Economic Forum, Davos. As the only Singapore company to be listed for the fifth consecutive year since 2010, CDL's ranking also improved from 52 nd to 39 th position in 2014.
FTSE4Good Index Series (Since 2002)	Among an elite group of companies worldwide that meets globally recognised corporate responsibility standards.
Dow Jones Sustainability Indices (Since 2011)	CDL was selected as an index component on the DJSI World and DJSI Asia Pacific in September 2011. DJSI is one of the most credible reference points in sustainability investing for investors and companies globally. This achievement made CDL the first Singapore developer to be listed on both the DJSI and FTSE4Good Index Series.
Global Real Estate Sustainability Benchmark (GRESB) Report 2013 – Regional Sector Leader for Asia	CDL was named a Regional Sector Leader for Asia in the GRESB Report 2013. It ranked 22 nd out of 543 participating organisations across the globe. GRESB is a leading global source of comprehensive portfolio level sustainability data for the real estate industry, covering 46 countries in six continents, representing USD 1.6 trillion of gross asset value.
IR Magazine Awards – South East Asia 2013: Best Sustainability Practice	In the IR Magazine Awards – South East Asia 2013, CDL emerged the inaugural winner of the Best Sustainability Practice category.
Asia Responsible Corporate Awards (ARCA) 2013	CDL received ARCA's Eco-Green Outstanding Leadership Award – the highest tier of the Singapore Built Environment Industry Asia Awards, affirming its long-standing contribution to the growth and sustainability of the built environment by integrating sustainable and eco-friendly business practices with financial and business strategies.
Indonesia Sustainability Reporting Awards 2013	CDL's Sustainability Report 2012 won the Best Sustainability Report from Singapore for the second consecutive year at The National Center for Sustainability Reporting's (NCSR) ninth 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.
MIPIM Asia Awards 2013	The seventh MIPIM Asia Awards honours outstanding real estate projects in the Asia Pacific region. CDL's residential development Tree House received top honours as a Gold winner for Best Innovative Green Building category while Cube 8 was accorded a Bronze ranking in the Best Residential Development category.
United States Green Building Council Leadership in Energy and Environmental Design (LEED) Certification	CDL's office building 11 Tampines Concourse and eco-mall City Square Mall received the LEED Platinum and LEED Gold Certifications respectively under the LEED for Existing Buildings: Operations and Maintenance (LEED-EBOM) category. The scheme identifies and rewards best green operational practices such as using less energy, water and natural resources and improving the indoor environment. Both are the first buildings in Singapore to be awarded the LEED-EBOM status since the scheme's inception in 2004.
Royal Society for the Prevention of Accidents (RoSPA) Awards 2013	CDL achieved a double win for its excellence in Environment, Health and Safety (EHS) management, awarded by the UK-based safety organisation, RoSPA. CDL was presented the International Dilmun Environmental Award – the first company outside of Europe to be accorded this high honour – and the RoSPA Gold Medal Award for Occupational Health and Safety.
The Sustainability Yearbook	CDL has been listed in The Sustainability Yearbook 2013, a guide published by RobecoSAM for investors worldwide on which companies are doing the most to address the risks and opportunities of sustainability.

Local achievements	
BCA Awards 2013	CDL emerged as the most accorded private property developer at the BCA Awards 2013. Apart from being the inaugural winner of the Quality Excellence Award – Quality Champion (Platinum) and Construction Productivity Award – Advocates (Platinum), CDL added another 21 project awards to its honours roll, including five new Green Mark awards, amassing a portfolio of 67 Green Mark awards. This marks CDL as the most illustrious Green Mark-accorded private developer to date, affirming its leadership and outstanding contributions to sustainable developments in Singapore.
2013 Distinguished Patron of the Arts Award	This pinnacle Award was conferred by the National Arts Council in recognition of CDL's continuous and generous contributions to Singapore's vibrant arts and culture scene.
LOO (Let's Observe Ourselves) Award	CDL is the first corporation to receive the LOO Award from the Restroom Association of Singapore, in recognition of the Company's efforts in championing clean toilets at its worksites. This accolade reflects the Company's commitment towards workers' welfare and a cleaner environment, as part of its corporate EHS culture.
People's Association (PA) Community Spirit Awards 2013	CDL was presented the Excellence Award in the PA Community Spirit Awards 2013, under the 'Partners of Community Development Council (CDC)' category, in recognition of CDL's outstanding contributions towards the community.
SIAS Investors' Choice Awards 2013: Internal Audit Excellence Award – Merit & Most Transparent Company Award – Runner Up (Real Estate Category)	<p>First introduced in 2011, the Internal Audit Excellence Award recognises companies that have established an effective Internal Audit Function to enhance corporate governance, risk management and assurance. CDL is the first winner from the real estate sector.</p> <p>Since 2000, in recognition of its corporate transparency based on criteria such as timeliness, substantiality and clarity of news releases, degree of media access, frequency of corporate results, availability of segmental information and communication channels, CDL has received the Most Transparent Company Award. This marked CDL's 13th year receiving this award, testament to its consistency and excellence in corporate governance standards.</p>
'We Welcome Families' Excellence Awards 2013	City Square Mall has once again received the Excellence Award under the Shopping Mall Category in the Businesses for Families Council's (BFC) 'We Welcome Families' Awards 2013. It is the first and only mall in Singapore to receive this accolade twice in a row.

* This list is not exhaustive. For more listings and details of CDL's CSR milestones, awards and accolades from 1997 to 2014, please refer to www.cdl.com.sg.

People engagement

Job creation and security

	2009	2010	2011	2012	2013
Employees (number)	359	350	362	379	400

As at 31 December 2013, out of 400 employees, 96% of senior management employees (comprising Vice Presidents and above) are Singaporeans or Permanent Residents, hired from our local community. Less than 5% of our employees are on temporary contracts. Of our permanent contract employees, 71% are women.

In 2013, two employees (at age 62) were re-employed in the same job. We have a total of nine employees, both in managerial and non-managerial positions, above the age of 62. There were no Employee Assistance Payment cases in 2013 eligible for bonus payouts.

Diversity and equal opportunity

CDL has been monitoring and tracking incidences of discrimination since 2008 and there have been no reported cases thus far.

We also recognise that there are some employees who need to attend to special family needs. CDL allows full-time employees to convert to part-time employment. In 2013, there were two employees working on a part-time arrangement. Benefits provided to part-time employees are similar to full-time employees.

Human rights

In 2013, no incidents and grievances of discrimination, child labour or forced labour were reported at CDL.

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 (similar to 2012) and more than 50% of our employees have been with CDL for more than five years. CDL's employee turnover continued to remain significantly lower than the national average.

In 2013, an Employee Engagement Survey was conducted by a third-party consultant to acquire insights into areas of potential employee-related concerns in order to proactively address them so as to improve employee engagement and effectiveness. CDL achieved a score of 69% which is 6% higher than Singapore's norm for level of Employee Effectiveness Index.

Employee turnover rate	2009	2010	2011	2012	2013
CDL (%)	10.7	13.7	14.4	17.9	14.1*
National average (%)	21.3	24.0	24.0	25.2	25.2#

Notes

* Computation of annual employee turnover is based on cumulative monthly attrition rate derived from the number of resignees for the month / headcount for the month.

Manpower Research and Statistics Department (Singapore) labour market third quarter rate was 18.9%. This number was then annualised for a like-for-like comparison. Source: <http://stats.mom.gov.sg>.

Learning and development

In 2013, employees clocked over 15,500 training hours, of which close to 2,000 hours were dedicated to CSR and EHS related training. To further encourage employees to upgrade their knowledge and skill sets, CDL sponsored five employees (in both non-managerial and managerial positions) in 2013 in upgrading their educational qualifications.

Our CSR Committee is also regularly updated on changes in the global CSR Landscape through a monthly newsletter containing the latest news on CSR issues, trends, regulations and opinions on sustainable practices. In late 2013, a consultant also conducted a workshop to highlight opportunities and applications for the relevant business areas at CDL.

Health and safety

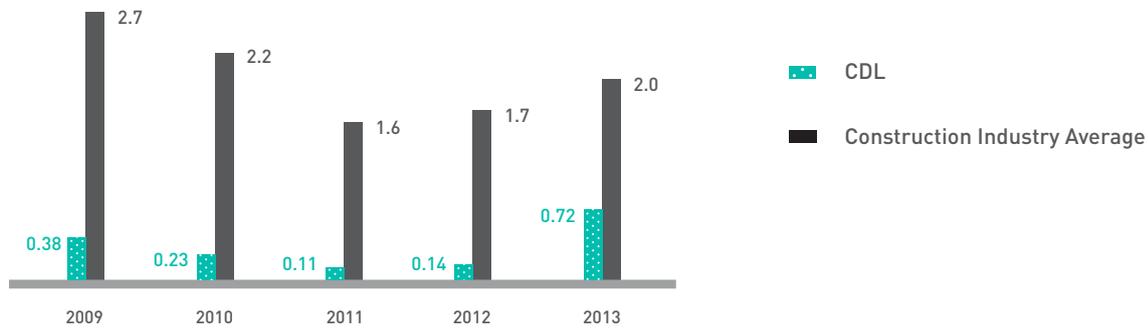
In 2013, we had zero occupational diseases at CDL's corporate office. There were no lost days due to work-related fatalities and the average medical leave taken per employee per year was approximately four days.

A total of 6.5% 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 AFR²¹ and WIR²² 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. The WIR in 2013 has gone up due to nine injuries (non-fatal) reported from 18 construction sites. We are mindful of this increase and take a serious view of the safety of workers onsite. Aside from intensifying site inspections, other measures were taken to mitigate such incidents, including a more effective communication and stringent penalty system imposed on our builders for safety infringements.

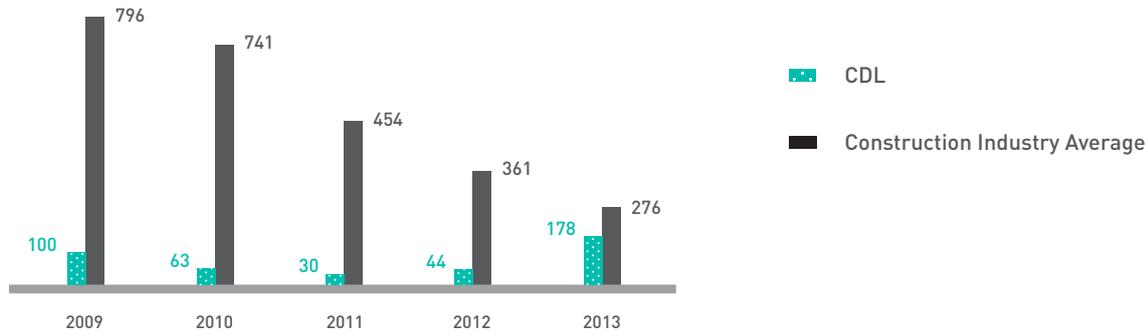
AFR at worksites

No. of workplace accidents per million manhours worked



WIR at worksites

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



Product stewardship

CDL believes that responsible business practices are crucial for long-term business success and sustainable growth. Not only is it the right thing to do, it also brings about numerous business benefits such as lower operation costs, higher productivity, positive branding and enhanced reputation for a company.

²¹Figures used are incident-based. 2013 average is not yet available. Source: www.mom.gov.sg.

²²Figures used are victim-based. Source: www.mom.gov.sg.

Product quality

As a pioneer green developer, we have gained a competitive edge in this area as our conviction in developing sustainable properties started even before legislation was introduced. Having institutionalised this green development philosophy into our operations, today, CDL has maintained our leadership with 67 BCA Green Mark projects, of which 23 are the highest Platinum tier – the most accorded to a private developer on both counts. In 2013, we were also the inaugural developer winner of the Quality Excellence Award – Quality Champion (Platinum) at the annual BCA Awards.

BCA Green Mark Awards (2005 – 2013)

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 • Echelon • Fuji Xerox Towers*** • Gramercy Park • H₂O Residences 	<ul style="list-style-type: none"> • HAUS@SERANGOON GARDEN • Hundred Trees • M Social Hotel • Quayside Isle • 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)**** • CDL Office – City Square Mall Management Office (Green Mark for Office Interior) 	<ul style="list-style-type: none"> • City Square Residences • D’Nest • Jewel @ Buangkok • King’s Centre • Livia • Manulife Centre*** • New Futura • Novotel Clarke Quay • NV Residences • Pasir Ris Grove (Parcel 3) 	<ul style="list-style-type: none"> • 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 2014 can be found at www.cdl.com.sg.

Annually, BCA publishes the overall CONQUAS scores of projects. In 2013, CDL completed five projects and two of these made it to the 'Top 3 List' for the Private Housing category.

Development	CONQUAS score	Ranking
Tree House	96.1	2
Hundred Trees	95.5	-
NV Residences	95.0	-
Cube 8	96.7	1
The Glyndebourne*	-	-

* CONQUAS Score not yet available as at 1 April 2014.

Customer satisfaction

The Customer Satisfaction Survey was conducted for two of our residential developments in 2013, and close to 25% of homebuyers participated.

Our homebuyers were surveyed on levels of satisfaction with their entire experience, ranging from a property's finishes and workmanship, overall construction quality, green features provided in the home, facilities and landscaping at common areas, and management of defects rectification.

Homebuyers' satisfaction	%
Homebuyers' Overall Level of Satisfaction	60
Homebuyer's Level of Satisfaction – Recommend to Friends	62
Tenants' satisfaction	%
Office	93
Industrial	82
Retail	98

The average satisfaction level amongst all homebuyers surveyed was 60%. Over the years, we have noticed that the expectations of homebuyers have increased, particularly in finishes and workmanship. As part of the quality assurance process, homebuyers are provided with a Defects Notification Form during their handover to identify defects in their unit. Should there be any defects reported, we aim to rectify these within 30 days, where possible. The progress of rectification is tracked closely and as at 31 December 2013, 81% of defects reported were rectified within 30 days. Sixty-two per cent of homebuyers also indicated that they would recommend CDL properties to their friends and relatives.

In 2013, 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 2013.

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

Community partnership

To commemorate CDL's 50th anniversary in 2013, we leveraged our core expertise as a green developer, to create and present two green 'gifts' to Singapore: 'My Tree House' – World's 1st Green Library for Kids and CDL Green Gallery @ Singapore Botanic Gardens (SBG) Heritage Museum. These were created in partnership with public sector organisations, and like-minded partners, to transform two public spaces into sustainable showcases for the community.

More than just first-of-its-kind green projects, they represent our commitment as an eco-developer to 'Conserve as we Construct'. Through 'My Tree House' and the CDL Green Gallery, both of which are open to the public, we hope to build even greater awareness on the importance of green building and foster eco-consciousness amongst the wider community.

CDL's gifts to the nation

CDL Green Gallery

On 30 November 2013, Prime Minister of Singapore, Mr Lee Hsien Loong, officially opened the SBG Heritage Museum and the CDL Green Gallery – Singapore's first zero energy green gallery.

In partnership with the National Parks Board (NParks), CDL together with 10 like-minded partners, conceptualised, designed and built the 314 square metre eco-friendly gallery. As an extension of the SBG Heritage Museum, the CDL Green Gallery will feature a series of exhibitions that will change every six to nine months. Exhibitions will feature works of local artists as well as botanical art and photography. SBG is a candidate of the UNESCO World Heritage Site and the CDL Green Gallery will help SBG to engage with the community.

Both the exhibits in the Museum and the completed Gallery were supported by CDL, at a value of over \$2 million, in cash and in kind.

Eco-friendly design and construction

- Solar Photovoltaic (PV) Roof Panels: 105 units expected to generate an annual energy yield of over 31,000 kWh*
- Environmental Management System: active monitoring and management of energy generation and consumption, shared in real time to gallery visitors
- Vertical Green Walls: over 25% of the facade was clad with butterfly attracting green walls to encourage biodiversity
- Green Roof: selection of drought resistant plant species to lower the Urban Heat Island effect around the building

Key innovative features (introduced in Singapore for the first time)

- Prefabricated Modular System: unitised form of building prefabricated in a production facility and assembled into position onsite in less than 24 hours. Like building blocks, this is easy-to-build, flexible and has a low environmental impact.
- Hempcrete: a type of biomaterial (largely made from the hemp plant) was used for the external wall cladding. No concrete was used for the building structure.

My Tree House – world's 1st green library for kids

On 31 May 2013, My Tree House was officially opened by Dr Yaacob Ibrahim, Minister for Communications and Information.

In partnership with the National Library Board, CDL brought together 11 other equally like-minded collaborators who are experts in their individual fields. The invaluable contributions of all resulted in an exceptional green showcase. Purposefully conceptualised, constructed and operated with environmental sustainability in mind, 'My Tree House' is the first library in the world to be steered by green principles in all facets from design, infrastructure and use of sustainable materials, to collection and programming.

Eco-friendly design and construction

From ceiling to floor, 'My Tree House' is created using eco-friendly materials.

- Tree 'Canopy': creative use of over 3,000 recycled plastic bottles collected from the public, schools and visitors to CDL's City Square Mall.
- Lighting: energy-efficient LED lighting to achieve approximately 47% improvement in power consumption
- Floor Carpet: Interface Cubic Colours carpet used as it comprises a high amount of recycled content and has achieved healthy indoor air quality[#]
- Bookshelves: made from sustainable materials i.e. plywood and fibreboard[^]

Key innovative installations

- The Knowledge Tree (Shadow Play Wall): interactive installation with a Q&A component on environmental awareness and energy conservation
- The Weather Stump: visual installation showing three real-time weather markers – Temperature, Wind Speed and Rainfall, collected from real-time weather information provided by the Meteorological Service Singapore

Collection and programmes

- 45,000 Books: a significant 30% of the collection are green-themed books on animals, plants, nature, water, weather, environment, recycling, and climate change
- Green-themed Programmes: storytelling sessions and workshops and tailored library tours for schools for environmental education and outreach

Both the CDL Green Gallery and My Tree House were accorded the BCA Green Mark Platinum Award – the highest tier green building rating in Singapore.

* The gallery's estimated annual energy consumption of about 30,000 kWh/year.

[#] As verified by the Carpet and Rug Institute (CRI) Green Label.

[^] Certified by the Singapore Green Labelling Scheme.

CDL E-Generation Challenge 2013

Themed 'The Green Future I Want', this annual 'Amazing Race'-style rally sought to challenge youth participants – aged 17 to 25 years old – to envision how their environment and the planet will transform in time, through a series of evocative and immersive tasks. The challenge aims to foster eco-consciousness among the youths.

Held for the fourth time, the 2013 eco-rally was the largest to date, with 88 teams, comprising over 500 youth participants.

National Environment Agency (NEA) Corporate & School Partnership (CASP)

Since 2005, CDL has been sustaining our support for the NEA CASP. To date, CDL had adopted six schools and helped 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.

2013 saw both CDL-supported teams from Catholic High School performing particularly well. The Primary School won the 2nd Prize for their 'Operation: Gotcha!' project which aimed to raise dengue awareness, and the Secondary School achieved the Merit Prize for a game application created to educate children about environmental conservation.

The Carnival drew 6,000 visitors.



'Let's Live Green!'

This eco-home outreach initiative is aimed at encouraging CDL homebuyers to make green lifestyle choices and adopt eco-friendly habits to reduce their carbon footprint. This is one of CDL's ways to reach out to our stakeholders in the area of environmental education.

At Welcome Party events, our homebuyers are presented a specially-customised Green Living Kit containing a book with green tips, a brochure listing all the eco-friendly features in their new home and how to use them. They can also enjoy a host of activities, including talks and exhibitions on environmental conservation.

In 2013, over 1,600 'Let's Live Green!' kits were distributed and the average satisfaction rate for the 'Let's Live Green!' talks and exhibition was close to 80%.

Project: Eco-Office

Initiated with the Singapore Environment Council in 2002, this outreach initiative aims to help businesses go green by cultivating eco-friendly habits within the workplace. Companies are encouraged to participate in an online green office audit, and for those that performed well, they can undertake a formal office audit conducted by an independent auditor. Successful companies are then awarded the Eco-Office Label certification.

In 2013, a total of 72 offices were certified (37 new and 35 recertifications). Through the wide distribution of the Eco-Office Kit, a dedicated online platform and numerous awareness campaigns, close to 48,000 office employees were also reached.

Cultivating CSR champions of tomorrow

CDL-Singapore Compact Young CSR Leaders Award 2013

Into its third year, the annual award is a youth case study based competition that aims to foster in our future leaders, greater awareness of incorporating CSR principles as part of a company's strategy and practices, for sustainable business excellence.

Twenty-four teams comprising over 100 Singapore students aged 17 to 30, participated. Senior management representatives from 10 Small and Medium Enterprises were also engaged in this effort and the top three winning proposals were shared with close to 470 corporate delegates at the 5th International Singapore Compact CSR Summit.

Partnerships with Education Institutions

Some initiatives that CDL supported in 2013 include:

- National University of Singapore (NUS) Geography Challenge 2013: Themed 'Made in Singapore: Stitching our Identity', a total of 96 secondary schools participated.
- Nanyang Technological University Asian Business Case Competition (ABCC) 2013: ABCC @ Nanyang is Singapore's first international undergraduate business case competition focusing on sustainability and business. Participants included undergraduates from nine overseas universities, and about 13,000 viewers through social media initiatives.

Community Involvement Programmes – Overseas

CDL supported 19 youth-led overseas projects largely focused on:

- Building and refurbishment of education facilities in villages.
- Provision and installation of solar bulbs.
- Expanding water distribution networks and providing access to clean water.
- Education programmes for children and youth in rural areas and provision of related materials.

Projects supported were mainly in neighbouring communities such as Cambodia, Indonesia, Laos, Philippines, Thailand and Vietnam. Over 400 youth volunteers directly benefitted from our support.



Community Involvement Programmes – Local

CDL supported five local 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) 2013: Organised by SAVE (Students Against Violation of the Earth), CAD aimed to effect behavioural change beyond simply awareness. The theme was 'Hope for Earth – Every BIG Change starts with ME'.
- Project iConserve: An exhibition to spread the message on environmental conservation was organised at City Square Mall. Aside from public tours, eco-workshops were also conducted for children.
- Singapore Management University (SMU) Challenge 2013: The challenge raised over \$60,000 in cash and in kind in a nine-month university-wide community service effort. A total of 2,500 kg of food and necessities was also delivered to 170 beneficiary households.

Nurturing creative talents

5th CDL Singapore Sculpture Award

This award is the first and only nationwide sculpture competition aimed at nurturing local artistic talents and providing an opportunity for their art works to be commissioned. The award has witnessed tremendous growth since it was first held over a decade ago. In 2013, more than 300 submissions were received.

Participants were invited to create works around the theme 'Celebrate!' which pays homage to Singapore's reputation as a City in a Garden, marked by decades of planning and cultivation. This year's top prize was awarded to Kenneth Koh for his submission titled 'A Hundred Lines', which will be commissioned for a recreational area at East Coast Park once redevelopment of that area is completed.

Through this award, CDL has commissioned and installed six sculptures by local artists in public spaces, including the latest installation of 'All the Essentially Essential' by Tan Wee Lit, winner of the 3rd CDL Singapore Sculpture Award, at Raffles Place Park in November 2013.

Beyond philanthropy

Over the years, CDL has consistently given support to several long-time beneficiaries whilst proactively seeking new collaborative efforts with beneficiaries that can bring about enhanced synergy. City Sunshine Club (CSC) activities have expanded over the years and employee participation has increased steadily.

Year	Employee volunteer man hours	Employee volunteer participation rate
2009	5,524	85%
2010	2,894	60%
2011	2,838	71%
2012*	3,589	89%
2013	2,664	77%

* The increase in employee volunteer manhours was due to a company-wide community event organised in 2012.

Key partners

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 Arc's corporate partner since its inception in August 2011. Our volunteers are actively involved in the children's outings and enrichment programmes.

North West CDC

In 2013, CDL together with Nanyang Girls' High School launched a year-long adoption of the rental flats at Blocks 3 and 4 Marsiling Road under the North West Care & Repair Programme. Regular activities were organised for the residents including outings to the Chingay Parade and S.E.A Aquarium at Resorts World Sentosa. CSC volunteers also organised a canned food donation drive for residents, as well as celebratory events during the Mid-Autumn Festival and Christmas.'

Lions Befrienders & Henderson Senior Citizens' Home

Since 1999, CDL, in partnership with the Lions Befrienders, has been involved in a food distribution and befriending programme for over 40 elderly beneficiaries. Aside from monthly visits, CSC volunteers also organised outings for more than 60 elderly from Henderson Senior Citizens' Home.

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 its subsidiary, CBM Pte Ltd, collaborated to organise the 2013 Charity Fun Day. Over 250 CDL staff volunteers helped out. The Assisi Hospice Charity Fun Day raised over \$900,000.

Viriya Community Services, Serangoon Family Service Centre & South East CDC

CDL runs a Character Building Programme, in partnership with South East CDC, for children and youth from the Serangoon Family Service Centre. The programme reaches out to over 30 beneficiaries through on-going sessions and outings. In 2014, CDL will be launching this programme with Viriya Community Services at its new family centre in Potong Pasir. As a prelude, an overnight camp was organised for all programme participants during the year-end school holidays in 2013.



CSR advocacy

As part of CDL's commitment toward promoting CSR, we are 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
Affinitas Pte Ltd	CSR in Asia Today
AIESEC	Youth Dialogue 2013: Trending Business Landscapes National Leadership Development Conference 2013: Singapore Youth to Business Forum
Asian Association for Investors in Non-listed Real Estate Vehicles (ANREV)	Young Professionals Conference 2013: Unlocking Sustainability's Hidden Value
Asia Pacific Real Estate Association (APREA)	APREA Property Leaders Forum 2013: Sustainability – An Imperative Future
BCA	MSc in Facility & Environment Management: Social Dimensions of Sustainability Breakfast Talk for CEOs: The Value of Green to Corporations
Global Initiatives	Responsible Business Forum 2013: Building & Urban Infrastructure Young Leaders Dialogue
ING Investment Management	Sustainable Investing
NUS	Business School: How does Sustainability Grow and Mature Within an Enterprise School of Design and Environment's MSc in Environmental Management: CDL's Sustainable Approach towards Quality, Safety and Productivity
NEA	NEA – Singapore Environment Institute Programme on Climate Change and Energy Sustainability
Penang Green Council	City Square Mall: Learning Journey of an Eco-mall
Reed MIDEM	MIPI Asia 2013: Sustainability & ROI in Asia: Hope or Reality?
Responsible Investor	RI Asia 2013: Creating Change at Asian Corporates
SMU	School of Accountancy Value-added Talk: Embracing Sustainability. Adding Value to Business. Executive Master of Business Administration: Managing in a Sustainable Manner

Environmental conservation

Beyond establishing a distinctive imprint on the Singapore cityscape, CDL has been setting the benchmark for environmental sustainability in Singapore's built environment over the past decade. We believe in aligning our operations with environmental sustainability in mind, and also ensuring that the foundations for a sustainable business are in place to respond to an ever-changing business environment. We have integrated an EHS policy into our business, incorporating measures to mitigate environmental impact at project sites and setting the strategic direction for all departments and employees towards creating a 'Green and Safe' corporate culture, conserving resources and preventing pollution.

Carbon emissions

On 9 May 2013, the world experienced the highest daily mean concentration of carbon dioxide (CO₂) in the atmosphere ever recorded – more than 400 parts per million (ppm) for the first time since measurements began in 1958 in Mauna Loa, Hawaii²³. This marked an important milestone because Mauna Loa, the oldest continuous carbon dioxide (CO₂) measurement station in the world, is the primary global benchmark site for monitoring the increase of this potent heat-trapping gas.

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 has far-reaching social and economic impact.

Being a low-lying and densely populated country, Singapore is at risk from the adverse impacts of climate change. Initial studies by NEA²⁴ have projected that the long-term effects of climate change would lead to a rise in sea level of up to 0.65 m and a temperature increase of 4.2°C by 2100. Other effects possibly include coastal land loss, impact on water resources, heat stress, public health implications from the resurgence of diseases and impact on island and marine biodiversity.

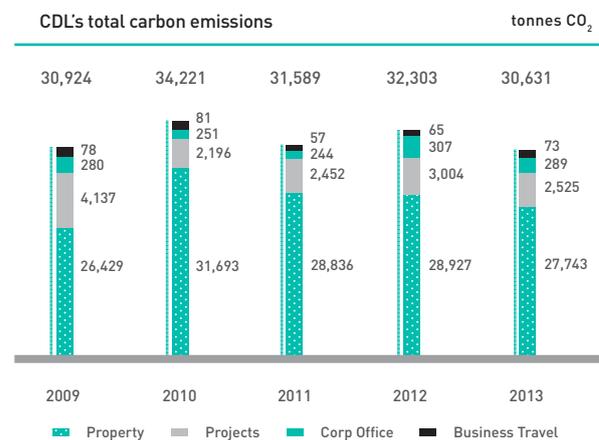
The main driver of climate change is carbon emissions, forming 97% of Singapore's total greenhouse gas (GHG) emissions²⁵. In line with the Singapore Government's aim to make Singapore a 'climate resilient' city, CDL targets a 22% reduction in our carbon emissions by 2020, below Business-As-Usual levels from baseline year 2007.

Since 2009, CDL voluntarily reduced our annual carbon emissions to 'net zero'²⁶ for 11 Tampines Concourse, the first CarbonNeutral® development in Singapore and Asia Pacific, and our Corporate Office operations including our data centre. Aside from carbon neutralising the construction phase of 11 Tampines Concourse, we also offset annual operations including tenants' emissions.

The carbon credits CDL has purchased under this exercise funds 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.

In 2013, we reduced CDL's total carbon intensity emissions as measured in tonnes CO₂/m² by 18% from baseline year 2007.



²³ Independent measurements made by both NOAA and the Scripps Institution of Oceanography. Source: www.esrl.noaa.gov.

²⁴ NEA commissioned the first National Climate Change Study in 2007. Source: www.nccs.gov.sg.

²⁵ Source: www.mewr.gov.sg.

²⁶ '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 CarbonNeutral Company, one of the world's leading carbon offset and carbon management companies.

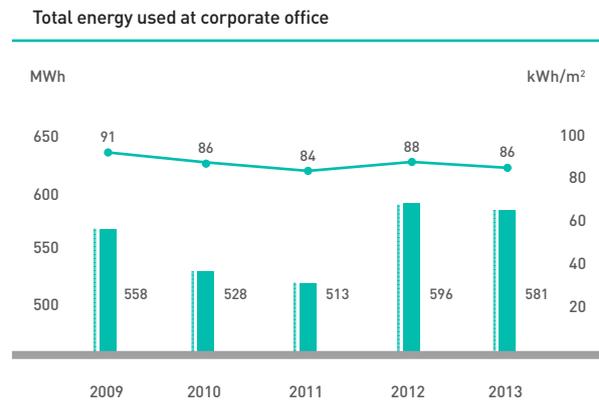
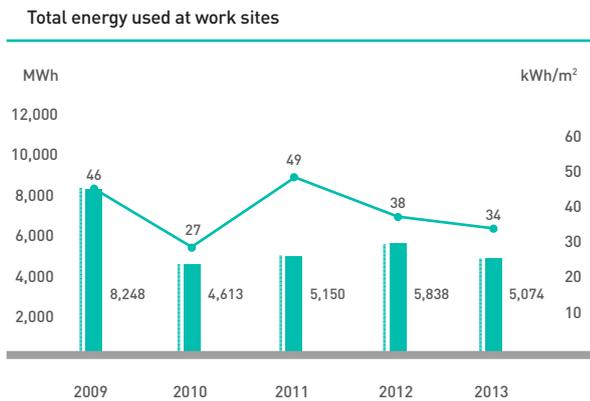
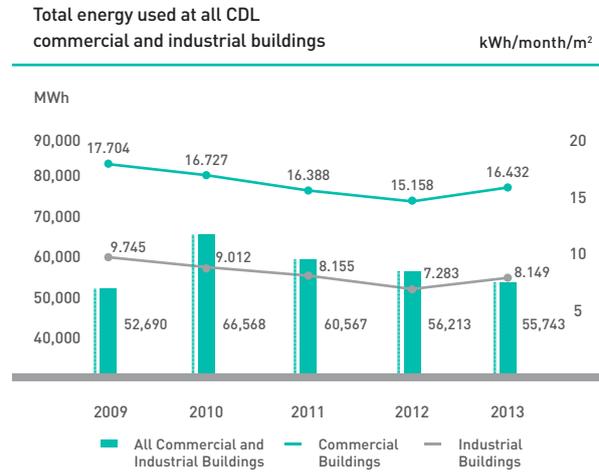
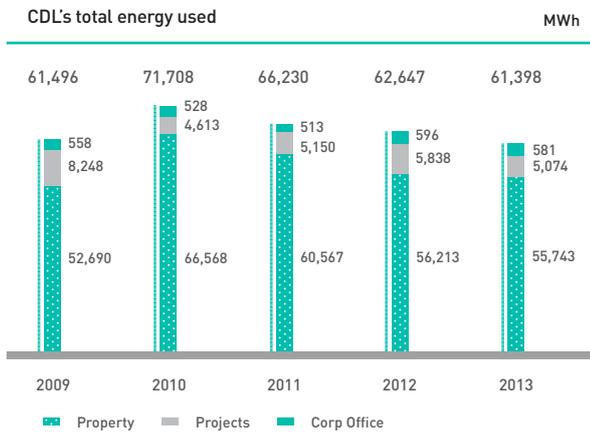
Energy

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.

For example, D'Nest, a residential development, has set a new record in the Singapore Book of Records for the 'Largest Solar Panels In A Condominium'.

In 2013, CDL buildings generated a total of 199,732 kWh of renewable energy, equivalent to the annual electricity used by about 36 Singapore households.

With the inclusion of Quayside Isle in 2013, the total energy used for the Property Management division increased. When normalised based on the leased area of our commercial properties, energy saving measures such as replacing the car park lightings to LED in several of investment buildings, like Republic Plaza and Central Mall, resulted in the reduction of energy used.

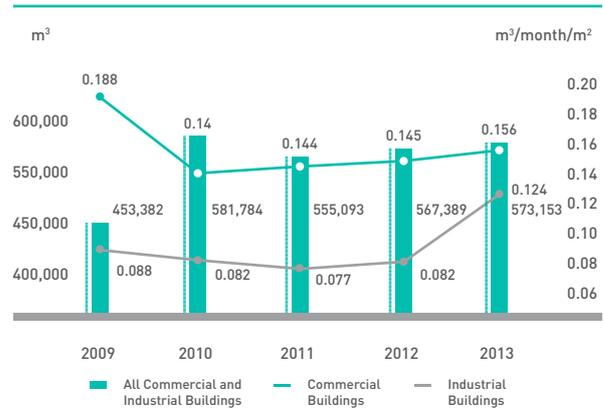


Water

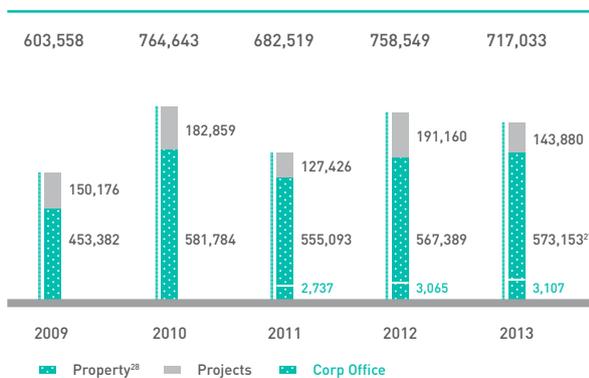
Managing water resources at CDL includes activities relating to efficiency in our water consumption and our methods for harvesting, reusing and discharging water. We have implemented the Silt Water Treatment Cum Water Recycling Systems at all CDL worksites and in 2013, CDL conserved approximately 121,715 m³ of potable water at all our worksites.

Where infrastructure is available in six of our commercial buildings, we have also used some 121,122 m³ of NEWater for operations that do not require potable water in our investment buildings such as cooling towers and sprinkler water tanks. The Public Utilities Board is working on extending the NEWater supply network and some of our buildings are already operationally ready to take in NEWater, once the supply becomes available.

Total water used at all CDL commercial and industrial buildings



CDL's total water used



Waste and resource management

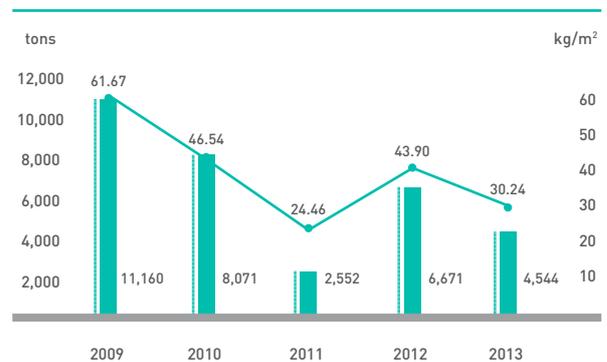
As a property developer and manager, CDL's most significant impact on the environment relate to the way we manage and dispose of the waste generated by our builders and the tenants of our developments. We aim to reduce waste and adopt approaches to reuse or recycle resource use in areas within our influence.

In 2013, construction waste generated at all CDL worksites amounted to 4,544 tonnes or 30.2 kg/m² of Gross Floor Area (GFA). This is lower than 2012 as a number of our worksites were either at the initial stages of construction or nearing completion where less waste is usually generated.

Total water used at worksites



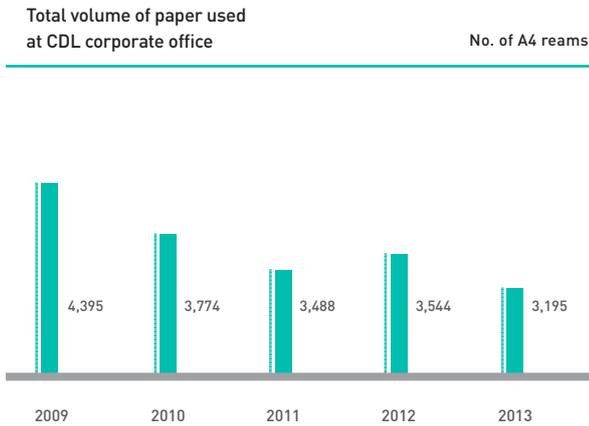
Total construction waste generated at worksites



²⁷ The increase in water used is due to the replacement of a rooftop water tank in one of our industrial buildings that was leaking.

²⁸ Property data in 2009 and 2010 includes water used at Corporate Office.

The tenant participation rate in our recycling programme has increased from 68% in 2005 to over 90% in 2013. The amount of paper recycled in 2013 is equivalent to almost 11,400 trees²⁹. We have also achieved 99.7% use of eco-friendly paper for communication publications. Our pilot year with Global Lamp Recyclers also saw over 11,000 lamps recycled.



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 efficient and prudent land use planning. As a result, Singapore is able to dedicate 10% of land area to parks and nature reserves and almost 50% of the country is covered in greenery.

In order to make effective use of the limited space to incorporate greenery into our living spaces, Lush Acres Executive Condominium (EC), has a first-of-its-kind Agri-Cube Hydroponic Farm that complements the EC's nature-inspired design. Tree House, another eco-themed residence, has an eye-catching 24-storey vertical green wall that serves as a 'bio-shelter' which helps to provide natural insulation, and filters pollutants and carbon dioxide from the air.

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.

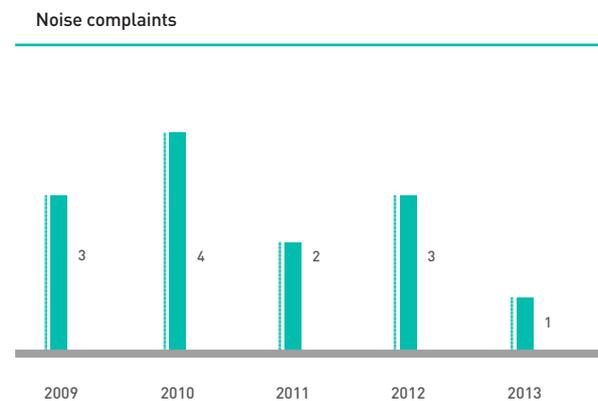
We make it a standard practice to conduct a biodiversity impact assessment during the planning stage at our sites, where applicable. Specialists are engaged to conduct field surveys to determine existing diversity of fauna and flora on site and make recommendations for environmental mitigation measures that should be implemented for the intended development planned, with additional consideration to the impact of the development on any adjacent nature areas. One of our indicators measured is to determine if any existing healthy mature trees can be protected and conserved on-site or transplanted to another CDL site or back to the original site upon completion of construction. Thereafter, the site is monitored periodically for its biodiversity impact, if deemed necessary to do so.

In 2013, in consultation with NParks, CDL conserved 50 existing mature trees in one completed project, where the trees were protected during the entire construction process.

Noise

In Singapore, 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 2013, one worksite received a complaint due to construction noise. In this case, additional measures were put in place by the builder to mitigate further possible noise impacts.



²⁹ A ton of recycled paper is equivalent to 17 trees. Source: Conservatree.org.

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

Key Pointers	Objectives	Targets 2013	Performance in 2013	Targets 2014
'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 2013	Achieved 99.7%	To achieve 95% use of eco-friendly or recycled paper or FSC certified paper by end of 2014
	To promote eco-consciousness and reinforce a 'green' culture among 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	(a) To organise at least four eco-related awareness events / campaigns for staff to ensure at least 30% staff participation rate in total (b) To sustain awareness via frequent communication – at least one per quarter, total of six for the year
Resource Conservation and Pollution Prevention	To reduce the use of paper	To achieve average use of 11.5 reams of A4 paper per headcount by end of 2013	Achieved at 8.3 per headcount	a) To achieve average use of 10.4 reams of A4 paper per headcount by end of 2014
	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 at 3.89 kWh/m ² Consistent energy usage over past two years	(a) To achieve average electricity consumption of 4.18 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 achieve average water usage of 12 m ³ /year per headcount (1 m ³ =1000 L)

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 2014: SUSTAIN" 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, 7 May 2014

A handwritten signature in black ink, appearing to read "Ásthildur Hjaltadóttir".

Ásthildur Hjaltadóttir
Director Services
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 24 April 2014. GRI explicitly excludes the statement being applied to any later changes to such material.



Building a better
working world

Independent limited assurance statement to the management of City Developments Limited (CDL)

We have performed limited assurance procedures in relation to CDL's Sustainability Report 2014 ('the Report') as detailed in the 'Subject Matter' below.

The management's responsibility

CDL's Sustainability Report 2014 has been prepared by the Management of City Developments Limited, which is responsible for the collection and presentation of the information it contains and for maintaining adequate records and internal controls that are designed to support the sustainability reporting process. There are currently no legally prescribed requirements relating to the preparation, publication and verification of sustainability reports.

The auditor's responsibility

Our responsibility in performing our limited assurance activities is to the Management of CDL only and in accordance with the terms of reference agreed with them. We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at their own risk.

Our review was limited to the information on the select indicators set out within the Report from 01 January 2013 to 31 December 2013 and our responsibility does not include:

- Any work in respect of sustainability information published elsewhere on City Development Limited's annual report, website and other publications,
- Sustainability information prior to 01 January 2013 and subsequent to 31 December 2013, and

- Management's forward looking statements such as targets, plans and intentions.

Our multi-disciplinary team has the required competencies and experience to conduct this assurance engagement. Our professionals have experience in both assurance skills and in the applicable subject matter including environmental, social and financial aspects.

Reporting criteria

As a basis for the assurance engagement, we have used relevant criteria in the sustainability reporting guidelines of the Global Reporting Initiative (GRI G3.1) and the Construction & Real Estate Sector Supplement. We consider these reporting criteria to be relevant and appropriate to review the Report.

Assurance standard used and level of assurance

Our limited assurance engagement has been planned and performed in accordance with the ISAE 3000³⁰ Assurance Engagement Other Than Audits or Reviews of Historical Financial Information. We have also considered the GRI G3.1 reporting guidelines in conducting our limited assurance procedures.

A limited assurance engagement consists of making enquiries and applying analytical and other limited assurance procedures. Our procedures were designed to provide a limited level of assurance and as such do not provide all the evidence that would be required to provide a reasonable level of assurance.

The procedures performed depend on the assurance practitioner's judgement including the risk of material misstatement of the specific activity data, whether due to fraud or error. While we considered the effectiveness of Management's internal controls when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Scope of work

We have been engaged by the Management of CDL to perform limited assurance on selected indicators of the Report as set out in Subject Matter below.

³⁰ International Federation of the Accountants' International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISEA 3000)

Subject matter

The Subject Matter and GRI indicators for our limited assurance engagement are as follows:

1. Environmental

- i. Aspect: Materials
 - EN1 Materials used by weight
 - EN2 Percentage of materials used that are recycled input materials
- ii. Aspect: Energy
 - EN3 Direct energy consumption by primary energy source
 - EN4 Indirect energy consumption by primary source
- iii. Aspect: Water
 - EN8 Total water withdrawal by source
 - EN11 Location and size of land owned, leased, managed in, or adjacent to, protected areas of high biodiversity value outside protected areas
- iv. Aspect: Emissions, Effluents and Waste
 - EN16 Total direct and indirect GHG emissions by weight
 - EN22 Total weight of waste by type and disposal method
- v. Aspect: Compliance
 - EN28 Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environment laws and regulations

2. Labour practices and decent work

- vi. Aspect: Employment
 - LA1 Total workforce by employment type, employment contract, and region, broken down by gender
 - LA2 Total number and rate of new employee hires and employee turnover by age group, gender and region
 - LA15 Return to work and retention rates after parental leave, by gender
- vii. Aspect: Occupational Health & Safety
 - LA6 Percentage of total workforce represented in formal joint management worker health and safety committees that help monitor and advise on occupational health and safety program
 - LA7 Rates of injury, occupational diseases lost days, and absenteeism, and number of work related fatalities by region and gender

- viii. Aspect: Training and Education
 - LA10 Average hours of training per year per employee by gender and by employee category

- ix. Aspect: Diversity and Equal Opportunity
 - LA13 Composition of governance bodies and breakdown of employees per employee category according to gender, age, minority group membership and other indicators of diversity

3. Human rights

- x. Aspect: Investment and Procurement Practices
 - HR3 Total number of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained
- xi. Aspect: Non-Discrimination
 - HR4 Total number of incidents of discrimination and corrective actions taken

4. Society

- xii. Aspect: Local Community
 - S01 Percentage of operations with implemented local community engagement, impact assessments, and development programs
- xiii. Aspect: Corruption
 - S02 Percentage and total number of business units analysed for risks related to corruption
 - S03 Percentage of employees trained in organisation's anti-corruption policies and procedures
- xiv. Aspect: Public Policy
 - S05 Public policy positions and participation in public policy development and lobbying
- xv. Aspect: Compliance
 - S08 Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations

5. Product responsibility

- xvi. Aspect: Product and Service Labelling
 - PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction
- xvii. Aspect: Marketing Communications
 - PR6 Programmes for adherence to laws, standards and voluntary codes related to marketing communications including advertising, promotion and sponsorship

6. Economic

xviii. Economic Performance

- EC1 Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments
- EC3 Coverage of the organisation's defined benefit plans and obligations
- EC4 Significant financial assistance received from the government

xix. Indirect Economic Impacts

- EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement

7. Construction and real estate sector supplement

xx. Aspect: Energy

- CRE 1 Building energy intensity

xxi. Aspect: Water

- CRE 2 Building water intensity

xxii. Aspect: Emissions, Effluents, and Waste

- CRE 3 Greenhouse gas intensity from buildings
- CRE 4 Greenhouse gas emissions intensity from new construction and redevelopment activity

xxiii. Occupational Health and Safety

- CRE 6 Percentage of the organisation operating with verified compliance with an internationally recognised health and safety management system

xxiv. Product and Service Labelling

- CRE 8 Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment

- b. Appreciate key sustainability issues and developments
- c. Map out information flow for sustainability reporting and the controls on information collation
- d. Identify data providers with their responsibilities and
- e. Recognise the likelihood of possible manipulation of sustainability data.

2. Undertake multiple visits to CDL's offices

3. Conduct process walk-through of systems and processes for data aggregation and reporting, with relevant personnel to understand the quality of checks and control mechanisms, assessing and testing the controls in relation to the concerned subject matters in the Report

4. Interviews with employees and management (CSR Committee, Human Resources, Property & Facilities Management, Marketing, Environment Health & Safety, Customer Service, Internal Audit, Enterprise Risk Management, Projects, Corporate Secretarial Services) to understand key sustainability issues related to the select indicators and processes for the collection and accurate reporting of performance information

5. Obtain documentation through sampling methods to verify assumptions, estimations and computations made by management in relation to the concerned subject matters in the Report

6. Checking that data and statements had been correctly transcribed from corporate systems and / or supporting evidence, into the Report

7. Obtain various certifications, audit reports and financial statement report in relation to the concerned subject matters in the Report

What we did to form our conclusions

The procedures performed aim to verify the plausibility of information. We designed our procedures in order to state whether anything has come to our attention to suggest that the Subject Matter detailed above has not been reported in accordance with the reporting criteria cited earlier. In order to form our conclusions we undertook the steps below:

1. Inquiries with CDL's CSR team to
 - a. Understand principal business operations,

Our independence

EY has provided independent assurance services in relation to CDL's Sustainability Report 2014. In conducting our assurance engagement we have met the independence requirements of the Institute of Singapore Chartered Accountants, Code of Professional Conduct and Ethics. Our EY independence policies prohibit any financial interests in our clients that would or might be seen to impair independence. Each year, partners and staff are required to confirm their compliance with the firm's policies.

Observations and areas for improvement

Our observations and areas for improvement will be raised in an internal report to CDL's Management. These observations do not affect our conclusions on the Report set out below.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the information in the Report was not presented fairly, and calculated in all material respects in accordance with the reporting criteria detailed above.

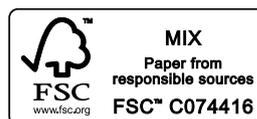
A handwritten signature in black ink, appearing to read 'K Sadashiv', written over a horizontal line.

Signed for Ernst & Young LLP by
K Sadashiv
Partner, Climate Change and Sustainability Services
Singapore, 29 April 2014

This report may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other developments or companies, shifts in customer demands, customers and partners, expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.

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In line with CDL's continuing efforts to promote environmental sustainability, this report is printed on Caracara High White and Munken Polar which are FSC certified papers.



CITY DEVELOPMENTS LIMITED

Conserving the Environment • Caring for the Community