



City Developments Limited
Sustainability Report 2010

We set our sights on higher standards, remain nimble and strive to reach for the skies. As Singapore's leading property pioneer, we will continue to seize new growth opportunities and create new benchmarks of sustainable business excellence.

79	Independent Assurance Statement	78	UN Global Compact Index
77	GRI Content Index	76	Summary of CDL Performance Data
62	Chapter Six Our Community	52	Chapter Five Our Employees
36	Chapter Four Our Environment	30	Chapter Three Corporate Governance and Risk Management
14	Chapter Two Our Business	04	Chapter One General
02	Managing Director's Message		

Managing Director's Message



Dear Stakeholders,

2009 was a year defined by rapid changes. Globally, as businesses were still reeling from the aftermath of the financial crisis, the economy took a swift recovery in the later part of the year, enabling many of the advanced economies to pull out of recessions. Although most global economies are on the mend, some uncertainty still remains.

On the environmental front, high hopes culminated at the United Nations (UN) Climate Change Conference held in Copenhagen in December 2009. While many were disappointed by the lack of a unified global response to tackle the pressing environmental issues, on a positive note, leaders have begun to pledge their collective commitments towards increasing their environmental responsibilities – paving the way for a new era of global eco-consciousness and responsible green practices.

I am pleased to report that despite the challenging business and uncertain climate in 2009, the Company delivered sterling financial results without cutting back on its Corporate

Social Responsibility (CSR) efforts and commitments. We continued to focus on improving and disclosing our performance, by meeting and even exceeding some of our targets. For instance, our collective efforts in resource conservation have resulted in improved environmental performance of between 2% and 18% achieved across our business operations in Singapore.

We remain determined to improve our CSR practices and have externally assured our sustainability report in accordance with the AA1000 Assurance Standard this year. The standard evaluates the reliability of our reported sustainability performance and shows the extent of how CDL's management approaches adhere to internationally accepted sustainability principles. As the first company to be assured under this standard in Singapore, this marks a new milestone for CDL and for CSR here.

In recognition of our sustained efforts, we are honoured to be listed amongst the 2010 Global 100 Most Sustainable Corporations in the World. This prestigious global ranking by Corporate Knights, a magazine for clean capitalism, was

"If there is one lesson to be learnt from the aftermath of this financial turmoil, it is the affirmation that companies with sustainability in their DNA are more resilient and make a better business model. We believe that this defining difference is what will propel CDL towards continued sustainable growth and business excellence."

announced in January 2010 at the World Economic Forum. Once again, we were also the highest ranked company from Singapore in the Asian Sustainability Rating by CSR Asia, having achieved a laudable 22nd place amongst 200 largest listed companies spanning across 10 countries in Asia Pacific. We also came in a note-worthy 2nd position in the environment section. CDL continues to remain as one of few Singapore companies to participate and publicly disclose our environmental data with the Carbon Disclosure Project. Our achievements have helped place Singapore on the global map for sustainability.

The CDL Sustainability Report 2010 is aptly entitled **"Grow"**. The vines symbolically articulate the rapid expansion of the sustainability movement in our Company. With increased emphasis on economic, social and environmental performance, and the growing expectations of stakeholders for CSR, the vines can only spread and envelop larger areas which may still have gaps. Hence, as we enter into a new decade, it is an opportune time for us to take stock of what we have achieved so far, and more importantly, what more can we do?

Even though we have been early adopters of the green building movement, we still wish to further reduce our carbon footprint in 2010. We will continue to invest in initiatives that will encourage capacity building and innovation to help prepare the real estate industry for a greener economy. For instance, in 2009, CDL embraced the incorporation of three different types of solar technology in our commercial development – 7 & 9 Tampines Grande, as a showcase to promote renewable energy.

In Singapore, the building sector contributes 16% of our nation's total carbon emissions. We are supportive of the

Singapore Government's announcement to reduce its carbon emissions by some 16% below "business as usual" levels⁽¹⁾ by 2020. CDL remains committed to achieving a minimum BCA Green Mark Gold rating for all new developments and incorporating more innovative green features to complement the nation's pledge towards sustainable development. We estimate that some 10,265 tonnes of carbon emissions or S\$4 million in electricity will be saved annually from our 10 Green Mark awarded buildings in 2009 (estimated figure based upon the completion of the new and existing buildings).

Moving forward, it is our wish to do even more for the community. Social and economic development programmes will take precedence. We have expanded our reach to aid communities in Cambodia and Indonesia. There are also plans to proactively strengthen our stakeholder engagement to better determine their needs and expectations.

As social responsibility takes greater prominence globally, we look forward to the launch of the ISO 26000 framework, expected in the later part of 2010 which will provide guidance to the refinement of our CSR strategy.

If there is one lesson to be learnt from the aftermath of this financial turmoil, it is the affirmation that companies with sustainability in their DNA are more resilient and make a better business model. We believe that this defining difference is what will propel CDL towards continued sustainable growth and business excellence.

Kwek Leng Joo
Managing Director
July 2010

⁽¹⁾ Subject to legally binding global deal that obliges all countries to cut emissions, and if other countries offer significant pledges (source: Ministry of Foreign Affairs).



A champion of Corporate Social Responsibility (CSR) in Singapore, CDL aims to be the company of choice for all our stakeholders. We believe that positive stakeholder engagement is the bedrock of business sustainability.

Whether it be our customers, investors, employees, suppliers or the community-at-large, we strive to make CDL better for you.

Engage

We are committed to engaging your interest, soliciting your feedback and meeting your needs. CDL will work hard to strengthen and cultivate valuable relationships with all stakeholders. This will be a key area of focus for our CSR strategy in the coming years.

General

CORPORATE PROFILE

Singapore's property pioneer since 1963, City Developments Limited (CDL) is a listed international property and hotel conglomerate involved 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 300 subsidiaries and associated companies under its wings, CDL also has 5 companies listed on notable stock exchanges in Hong Kong, London, New Zealand, and the Philippines. CDL currently owns and manages a strong portfolio of residential and investment properties, in addition to hotels, across Asia, Europe/Middle East, North America and New Zealand/Australia.



In line with CDL's CSR commitment to sustainable business practices, four CDL developments including Volari (above), were recently awarded the BCA Green Mark Platinum Award, Singapore's highest green rating for buildings.

In Singapore, CDL holds an impressive track record of over 22,000 luxurious and quality homes to its name. As one of the biggest landlords in Singapore, CDL owns over 7 million square feet of lettable office, industrial, retail and residential space. CDL also owns one of the largest land banks amongst private developers, with over 3.6 million square feet that has the potential of being developed into over 7.1 million square feet of gross floor area.

Beyond establishing a distinctive imprint on the Singapore cityscape, CDL's local presence is matched by the strategic growth of its international business. Its global presence is led by its diversification into hospitality management and the acquisition of hotel assets through CDL's London-listed subsidiary, Millennium & Copthorne Hotels plc (M&C). As one of the world's largest hotel groups, M&C owns, asset manages and/or operates over 100 hotels in 17 countries around the world. The Hong Kong-listed City e-Solutions Limited is another subsidiary of CDL that is dedicated towards providing management services and technology solutions for the hospitality industry, as well as making investments in the global real estate sector.

In Singapore, CDL has over 300 employees at our headquarters (excluding subsidiaries).

5-YEAR FINANCIAL HIGHLIGHTS

YEAR	2005	2006	2007	2008	2009
Revenue	S\$2,374m	S\$2,547m	S\$3,106m	S\$2,945m	S\$3,273m
Profit before tax	S\$404m	S\$692m	S\$955m	S\$834m	S\$832m
Profit for the year attributable to equity holders of the Company	S\$200m	S\$352m	S\$725m	S\$581m	S\$593m
Return on equity	4.4%	7.4%	13.9%	10.7%	9.9%
Net asset value per share	S\$5.12	S\$5.21	S\$5.72	S\$5.97	S\$6.57
Basic earnings per share	20.8 cents	37.0 cents	78.3 cents	62.5 cents	63.8 cents

Dividends

a) Ordinary dividend (gross) per share

• final	7.5 cents	7.5 cents	7.5 cents ⁽¹⁾	7.5 cents ⁽¹⁾	8.0 cents⁽²⁾
• special interim	-	7.5 cents	10.0 cents	-	-
• special final	5.0 cents	10.0 cents	12.5 cents ⁽¹⁾	-	-

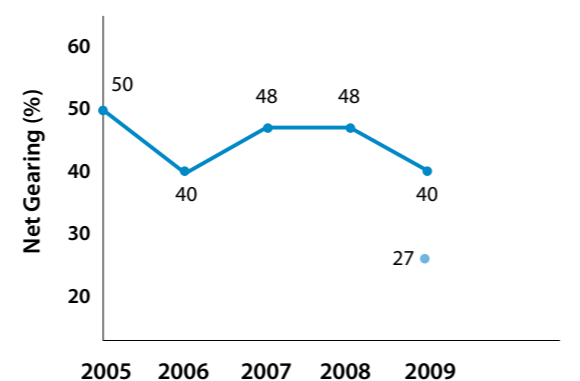
b) Preference dividend (net) per share

3.90 cents	3.90 cents	3.90 cents	3.90 cents ⁽¹⁾	3.90 cents⁽¹⁾
------------	------------	------------	---------------------------	---------------------------------

CAPITAL MANAGEMENT

	As at 31/12/09	As at 31/12/08
Cash generated from operating activities before income tax	S\$1,058m	S\$517m
Cash and cash equivalents	S\$981m	S\$776m
Net borrowings	S\$3,053m	S\$3,378m
Net gearing ratio ⁽³⁾	0.40	0.48
Net gearing ratio if fair value gains on investment properties are taken in	0.27	0.32
Interest cover ratio	14.5 times	11.0 times

NET GEARING



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

CDL's financial information is described in more detail in our 2009 Annual Report. Current and previous reports are available online at www.cdl.com.sg.

ABOUT THIS REPORT & THE SCOPE

The CDL Sustainability Report is our third dedicated annual publication which shares our economic, social and environmental activities and performance pertinent to our business in 2009. CDL is voluntarily disclosing the information as we believe in upholding the principles of corporate transparency, disclosure and communication with our stakeholders.

The report covers solely our Singapore operations and 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 encompasses our activities that have a material impact on the community and the environment in which we operate.

Where possible and material, we have included performance data from 1 January 2005 to 31 December 2009, so as to provide meaningful information for comparison.

Our subsidiary, M&C, shares its CSR activities in its Annual Report which is available online at www.millenniumhotels.com.

ASSURANCE

For the second year, CDL has had this report externally assured to validate the accuracy and reliability of its content. The assurance engagement was conducted by Ere-S, a CSR consulting company, and covered all figures and statements found in the report that are related to the sustainability performance. This year saw the introduction in the assurance scope of the sustainability organisational behaviour of the company, based on the AA1000 Assurance Standard. In adherence to the principles of the standard, Ere-S reviewed all underlying systems and processes that support the sustainability report. The audit report including the findings is summarised in the independent assurance statement from pages 79 to 81.

ACCESSIBILITY

As part of our environmental conservation efforts, we have printed limited copies of this report. Current and previous copies of the reports are available online at www.cdl.com.sg.

STANDARDS OF MEASUREMENT

The Global Reporting Initiative (GRI) G3 Guidelines were used to prepare this report. Based on the GRI Application Level Criteria for reporting, we self-declare this CDL Sustainability Report 2010 to be a Level B+ report and GRI has verified this application level. References have also been made to the United Nations (UN) Global Compact's 10 Universal Principles.

For this report, there were no significant changes to the measuring methods applied. We will continue to review and refine our methodology, expanding our efforts of collecting and compiling more comprehensive data on our environmental impact and social performance of our business operations in Singapore. We hope to make further improvements in our report and will focus on enhancing our environmental and social data management for more consistent reporting and accountability.



FEEDBACK CHANNEL

We actively seek and value the feedback extended by our stakeholders as an important way of improving our CSR practice. If you have any views, comments or feedback, please send them to:

Ms Esther An

Head of CSR
City Developments Limited
9 Raffles Place
#36-00 Republic Plaza
Singapore 048619
Republic of Singapore

or e-mail: csrenquiries@cdl.com.sg

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

⁽²⁾ Final tax-exempt (one-tier) ordinary dividend proposed for financial year ended 31 December 2009 had been approved by the ordinary shareholders at the last Annual General Meeting held on 28 April 2010 and paid out on 21 May 2010.

⁽³⁾ 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.

CDL'S CORPORATE SOCIAL RESPONSIBILITY (CSR) STRATEGY

Since the 1990s, CSR is integral to CDL's corporate vision and mission for business success and long term sustainability. We measure ourselves against the triple bottom line, taking into account our economic, social and environmental performance.

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.

COMMITMENT TO STAKEHOLDERS

As a responsible corporation, it is our goal to be transparent and accountable to our stakeholders who have an interest in our operations. These include:

Customers:

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

Investors:

To maintain profitability and achieve optimum returns for their investment.

Employees:

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

Contractors and Suppliers:

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

Community:

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

As a leading property developer in Singapore, we believe that we play an instrumental role in the economic, environmental and social progress of our society. Leveraging on our experience, we aspire to help shape a quality community and environment where we can work, play, invest and call home.

CDL'S CSR OBJECTIVES (CONT'D)

Human Resource

Achieve industry leadership position in Workplace Health and Work-life initiatives in Singapore

Environmental, Health and Safety (EHS)

Ensure the maintenance of an international management system for the environment

Achieve industry leadership position in developing and maintaining green buildings in Singapore

Achieve ISO 14001 targets at both corporate and operational levels

Product Responsibility

Focus and reinforce on delivering quality and innovative products

Focus and reinforce 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

To serve and create a better living environment for the community

Proactively engage the community in synergistic collaborations and sustainable CSR programmes

CDL'S CSR OBJECTIVES

Corporate

Raise awareness of CSR within and outside of the Company

Achieve industry leadership position in CSR in Singapore

Establish a business framework for sustainable management and innovation

Financial, Corporate Governance and Risk Management

Maintain profitability and optimum returns for investors

Ensure good corporate governance and sound risk management

Create value for investors through financial and non-financial performance

Ensure the maintenance of an internationally-based management system such as Singapore Quality Class for business excellence

Human Resource

Improve employees' competencies, maximise their potential for career development

Create a work environment that supports a corporate culture of work-life harmony

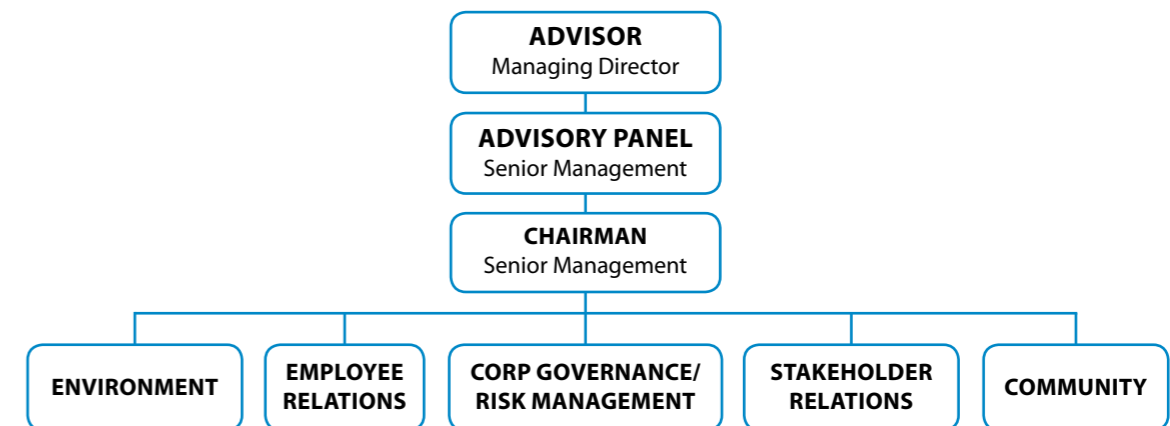
Improve employee's health and well-being

CSR COMMITTEE

In 2008, the CDL CSR Committee was established as a corporate directive by the Company's top management to strategically integrate our CSR objectives within our

business operations. This Committee reports directly to Managing Director Mr Kwek Leng Joo and the committee members comprise the senior management of the Company.

CDL CSR Committee Structure:



For the past two years, the CSR Committee has set out to identify key CSR stakeholders, risks and opportunities and assess the materiality of CSR issues significant to our business in the course of various workshops, meetings and presentation sessions. The Committee takes charge of CDL's CSR KPIs (Key Performance Indicators) and targets as well as manages and develops programmes needed to meet our CSR objectives. This has been done with the careful consideration of global CSR issues in addition to addressing concerns in the context of the Singapore

environment as well as the relevance to our business and corporate objectives.

We have also been using the working draft of the ISO 26000 management system as a key reference point and the CSR Committee looks forward to embracing the principles of social responsibility as well as core subjects including Human Rights, Labour Practices, Environment, Fair Operating Practices, Consumer Issues and Community Involvement and Development in the practice of CSR in CDL.

CSR SUB-COMMITTEES	RISKS & OPPORTUNITIES	ASPECTS	MORE INFO
Environment	<ul style="list-style-type: none"> - Regulatory risks & opportunities - Singapore Government's commitment to manage carbon emissions have significantly impacted building industry - Environmental risks - Impact of climate change 	<ul style="list-style-type: none"> • Energy and water used at work sites • Construction waste generated at work sites • Energy and water used at CDL commercial and industrial buildings • Paper recycled at CDL buildings • Tenants' participation rate for paper recycling • Energy and paper used at the corporate office • Total energy used • Total carbon emissions • All new developments to be certified BCA Green Mark Gold and above • Accident frequency rate at CDL work sites (number of workplace accidents per million manhours worked) • Injury rate at CDL work sites (number of fatal and non-fatal workplace injuries per 100,000 persons employed) 	Chapter 4
Employee Relations	<ul style="list-style-type: none"> - Human Resource risks & opportunities - Talent attraction and development - Maintaining ethical values and business standards 	<ul style="list-style-type: none"> • Annual employee turnover rate • Employee satisfaction • Days of medical leave taken • Gender diversification • Average years of service per employee • Total CSR and environment-related training hours • Health and safety at the corporate office (injury rate and occupational disease) 	Chapter 5
Stakeholder Engagement	<ul style="list-style-type: none"> - Operating risks & opportunities - Product and service quality assurance - Design and product innovation 	<ul style="list-style-type: none"> • New developments to be well-ranked on Construction Quality Assessment System (CONQUAS) 	Chapters 1 & 2
Corporate Governance & Risk Management	<ul style="list-style-type: none"> - Operating risks & opportunities - Formalised risk management framework 	<ul style="list-style-type: none"> • CSR had been identified as potential business risk 	Chapter 3
Community	<ul style="list-style-type: none"> - Operating risks & opportunities - Social and economic development of the community 	<ul style="list-style-type: none"> • Employee participation rate per year • Employee volunteer hours per year 	Chapter 6

STAKEHOLDER ENGAGEMENT

CDL believes in maintaining an open two-way dialogue with our stakeholders that include our customers, investors and media, employees, builders and suppliers, and community (which represents a range of stakeholders with varied interests including Non-Governmental Organisations (NGOs), government and the community-at-large).

CDL's engagement process is both formal and informal. It may be conducted via surveys, focus group studies or in a more personal setting with small group meetings or even on-site visits. A proponent of establishing partnerships with local and international organisations, CDL places key representatives in these organisations to learn, share and contribute meaningfully to benefit our community.

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

We hope to place more focus in this area to further strengthen our stakeholder relations, especially to improve in the area of formal engagement for better accountability and transparency.

Our Customers

CDL has to its name over 22,000 quality homes and is one of the largest landlords in Singapore, owning over seven million square feet of lettable office, industrial, retail and residential space.

With such an extensive customer base, CDL is clearly focused on the provision of uncompromised product quality and service excellence to all our customers, above and beyond what is expected of our industry. More information can be found on pages 19 to 21 of this report.

Our Employees

CDL's goal is to continue to strive towards being an employer of choice for our over 300 employees in Singapore. We believe in creating a conducive work environment which empowers, nurtures and values

our employees. Initiatives such as talent management, development and employee welfare remain as our focus. More information can be found on pages 53 to 61 of this report.

Our Investors and The Media

CDL's corporate mission is to maintain profitability and optimum returns for our investors. With prudent stewardship, the Company has successfully remained in the black during the last few global financial upheavals.

As one of the largest companies in Singapore by market capitalisation, CDL is of keen interest to the investor community and media alike. CDL also has a large number of shareholders which include international investors, both private and institutional. CDL remains convinced that it is imperative for a company to share its environmental and social performance and we continue to voluntarily publish this dedicated report, even though it is not required or widely practised in Singapore to-date.

In response to stakeholder feedback and increasing requests, CDL has been investing more resources in the engagement of the larger investor community which includes sustainability analysts, rating agencies and the socially responsible investment (SRI) community. This includes dialogue and participation in interviews, surveys, reports and one-on-one meetings on topics such



Visitors to CDL's revamped website will enjoy a refreshing and dynamic new look with improved content and site features.

as our business and environmental behaviour, how we integrate climate change issues in our business strategy, corporate governance, employee management and community involvement.

We continue to engage the investor community in an open and transparent manner using various communication platforms. In our efforts to enhance and improve communication channels, the CDL website underwent a makeover in 2009. When designing the website, we actively listened to our stakeholders and based on their needs, have incorporated more financial content and new features such as updates on stock prices and email alerts. We have also expanded information on our environmental performance in response to increased interest by our stakeholders.

We have also ensured the timely release of our quarterly financial results, conducted briefings for analysts and the media during the half-year and full-year results and participated in various investor conferences and one-to-one meetings which presents opportunities for active two-way dialogue with the top management. Shareholders also have direct access to the top management during the Annual General Meeting (AGM) where the Company's operations is reviewed and business plans for the year ahead are shared.

The AGM is also attended by the Executive Directors, the respective Chairman of the Audit Committee, Remuneration Committee and Nominations Committee, including the external auditors of the Company, to

field any investor queries raised during the meeting. Presentations from such events may also be easily accessed via the SGXNET and our corporate website.

Similarly, the media are kept abreast of our corporate activities via press conferences and press releases. We also avail ourselves to various forms of media requests including interviews and visits to our properties for a better understanding of our business.

Throughout the year, CDL is featured in the print, broadcast and electronic media on topics including current global issues, the economy, government policies, industry trends, our business activities, stakeholder engagement and community involvement.

Our Suppliers

Working closely with our suppliers, CDL endeavours to be a reliable and trusted business partner. Various programmes and policies are in place to ensure that these business relations are aligned with our business values and standards including Environmental, Health and Safety and Procurement. More information can be found on pages 21 to 23 of this report.

Our Community

Strategically, CDL's community contributions are concentrated in four key areas of environment, youth development, the less fortunate and the arts. In 2009, CDL also widened our outreach to beneficiaries overseas

CDL'S SUSTAINABILITY RATINGS

	2008	2009	2010
AccountAbility AA1000	-	Externally assured (Performance information only) with reference to AA1000 Assurance Standard	AA1000 Assurance Standard 2008 Type 2 (AccountAbility principles and performance information) ⁽¹⁾
Asian Sustainability Ranking	66.1%	74.5%	N.A.
Carbon Disclosure Project	Participation	Participation	Participation
FTSE4Good Index Series	Listed since 2002		
Global 100 Most Sustainable Corporations in the World	-	-	Ranked as #81
Global Reporting Initiative	Level C	Level B+	Level B+

in social and economic development projects. It was also a milestone year for CDL as celebration activities of our volunteer organisation, City Sunshine Club, led to the doubling of our volunteer manhours. More information can be found on pages 63 to 75 of this report.

We have also been proactively sharing with our business peers and the community-at-large our CSR experience and strategy for sustainability in many conferences and platforms such as the inaugural International Singapore Compact CSR Summit, SPRING Singapore's Business Excellence Global Conference, International Green Building Conference 2009, National University of Singapore (NUS) CSR Student Movement, NUS MBA-CSR course and AIESEC SMU Summer Conference 2009.

Furthermore, we have actively engaged other important stakeholders stemming from government agencies and NGOs on wide ranging issues including the economy, government policies, CSR, environment, labour and community.

COMMITMENT TO EXTERNAL INITIATIVES

CDL participates in many global and local initiatives and is also a signatory to various initiatives.

CDL has endorsed and/or is a participant of the following:

- Anti-Corruption & Compliance Declaration
- Carbon Disclosure Project

- Employers' Pledge for Fair Employment Practices
- Global Reporting Initiative
- Singapore Compact for CSR
- UN Caring for Climate
- UN Global Compact

RESPONDING TO CSR CHALLENGES IN 2011 AND BEYOND

2009 was a defining year in CSR for CDL. While we improved our performance and succeeded in gaining international recognition for our sustainability efforts, this also served as a motivation for us to continue to strive for even better results in the coming years.

We are currently working on making improvements in various areas including strengthening and formalising our stakeholder engagement processes. We are also looking at integrating the ISO 26000 guidelines into our business model when it is launched, likely later in the year. Key issues we are considering implementing include studying the possible drafting and incorporation of a structured human rights and climate change policy company-wide.

CDL will remain vigilant and closely monitor the changing environmental landscape. We remain cognizant of the need to continually identify and assess sustainability issues that are material to our business and action for improved CSR performance.



CDL's Managing Director, Mr Kwek Leng Joo, was a keynote speaker at the International Singapore Compact CSR Summit in October 2009, sharing his insight on how corporations can integrate CSR into their business for sustainability and success.

⁽¹⁾ Refer to the Independent Assurance Statement on page 79



CDL recognises that innovation is key to a sustainable business. More than a decade ago, our management had the foresight to redefine our business strategy and implement innovative technology that has revolutionised our products and services.



As we grow from strength to strength as Singapore's pioneering green developer, we aspire to continue pushing the envelope with a firm ear to the ground. Incorporating innovative and sustainable solutions has not only helped us build capacities, it has also benefitted our industry in creating a better tomorrow.

Our Business

ADOPTING THE TRIPLE BOTTOM LINE APPROACH

At CDL, we measure our success by looking at our economic, social and environmental performance. It is our view that this holistic business model will leapfrog the Company to a sustainable organic growth for the benefit of all our stakeholders.

In addition to financial growth, we also set for ourselves environmental and social targets. Our business activities, whether they be products or business relations and dealings must be aligned with our CSR vision and mission. In this regard, we have designed policies that integrate and manage these sustainability issues within our business operations.

DESIGNING AND MANAGING SUSTAINABLE QUALITY PROPERTIES

With more than 45 years of experience, CDL has been a cutting-edge pioneer known for developing iconic and quality properties which feature new living concepts and innovative technology.

Adopting the triple bottom line model, CDL develops properties that are sustainable, functional and financially marketable. Although the green economy is still at its infancy and demand for green buildings is only just starting to grow, we hope that our position as a pioneering green developer will give us a first-mover advantage when the age of socially responsible consumerism dawns.

Our management strategies include a three-pronged approach as part of our corporate CSR plan to develop quality residential and commercial properties with

environmental sustainability in mind, to manage properties in a cost-effective and energy-efficient way as well as to influence our stakeholders through our outreach initiatives. Adding to these are active stakeholder engagement practices that allow us to improve business practices and CSR performance to provide value to our community where it is most needed.

For leading the industry by example, CDL was the first and only developer to be accorded the BCA Built Environment Leadership Platinum Award by the Building and Construction Authority (BCA) in 2009 for excellence and leadership in shaping a safe, high-quality, sustainable and friendly built environment in Singapore.



CDL clinched the highest honour of the Built Environment Leadership Platinum Award at the BCA Awards ceremony.

Continuing our focus on developing and managing green buildings, CDL set new industry firsts in 2009 with our newly completed commercial developments. We integrated three different types of state-of-the-

art solar technologies, including Singapore's first Solar Air-conditioning System at 7 & 9 Tampines Grande and established 11 Tampines Concourse as the first CarbonNeutral® development in Singapore and Asia Pacific.

By investing in these capacity building initiatives, CDL hopes to enhance the industry's green expertise and encourage others to explore more sustainable technologies. 7 & 9 Tampines Grande is also the first completed commercial development in Singapore to achieve the internationally recognised LEED⁽¹⁾ (Leadership in Energy and Environmental Design Rating System) Gold certification in the Core and Shell Category and is testament to CDL's commitment in developing buildings in Singapore that meet international green standards.

As a green advocate, CDL approximates that some 10,265 tonnes of carbon emissions or S\$4 million^(fn) in electricity will be saved annually from our 10 BCA Green Mark awarded buildings in 2009 (estimated figure based upon the completion of the new and existing buildings). Having been named BCA Green Mark⁽²⁾ Champion in 2008, CDL is the most decorated Green Mark private developer with 40 BCA Green Mark awards to date.

To consistently achieve a high level of quality and sustainability standards in our properties, we continue to set and work towards achieving our targets and measurements. We remain committed to achieving a minimum BCA Green Mark Gold rating for all new

developments and incorporating more innovative green features to complement the nation's pledge towards sustainable development. We will continue to invest between 2% and 5% of the construction cost of a development on green design and features.

The BCA Green Mark has received strong support from major developers like CDL. Without their support and commitment, we would not be able to see the take-off of the green building movement in Singapore from a modest 17 certified green building projects a year in 2005, when we first launched the BCA Green Mark scheme, to 100 green buildings a year in 2007. We hope that more developers will take the lead in achieving excellence in environmental sustainability and strive for the higher Green Mark Gold^{plus} and Platinum ratings for their projects from now on.

– Dr John Keung, BCA's CEO



7 & 9 Tampines Grande is the first completed development in Singapore to achieve the LEED Gold certification under the Core & Shell category.



Cube 8 was one of four BCA Green Mark Platinum awarded CDL projects in 2010 (above). In 2009, eight out of the top 20 private housing projects on the CONQUAS ranking chart were developed by CDL (right).

CDL also makes certain that our properties are well-placed on BCA's Construction Quality Assessment System (CONQUAS)⁽³⁾ ranking chart. CONQUAS is a standard assessment system on the quality of building projects in Singapore. In 2009, four out of the top five ranked private housing projects were developed by CDL.

More information on CDL's environmental performance can be found on pages 37 to 51 of this report.

PROJECT	CONQUAS SCORE
City Square Residences	95.6
The Sail @ Marina Bay	94.8
Parc Emily	94.1
Savannah CondoPark	94.1
Monterey Park Condominium	92.3
Residences @ Evelyn	91.6
Buckley 18*	90.7
Botannia	90.7

BCA Green Mark Properties

CDL's BCA GREEN MARK AWARDS (2005-2009)

Green Mark Platinum

- City Square Mall
- Cliveden at Grange
- Cube 8
- 7 & 9 Tampines Grande
- The Oceanfront @ Sentosa Cove
- The Residences at W Singapore Sentosa Cove
- The Solitaire
- Tree House
- Volari
- W Singapore Sentosa Cove

Green Mark Gold^{plus}

- Buckley 18*
- CDL Office – City House, Levels 2 & 5 (Green Mark for Office Interior)
- City Square Residences
- Livia
- Pasir Ris Parcel 2
- Shelford Suites
- St. Regis Hotel & Residences, Singapore
- 11 Tampines Concourse
- The Arte
- Wilkie Studio

Green Mark Gold

- Anderson 18
- Botannia
- City House
- Fuji Xerox Towers
- Millennium Residences @ Sukhumvit, Bangkok
- Monterey Park Condominium
- New Tech Park
- One Shenton
- Parc Emily
- Plaza By The Park
- Republic Plaza⁺
- Residences @ Evelyn
- Savannah CondoPark
- Tribeca
- The Sail @ Marina Bay

Green Mark Certified

- Butterworth 33
- Central Mall (Office Tower)
- Palais Renaissance
- Pantech 21⁺
- The Pier at Robertson

* Project managed by CDL ⁺ Recertified in 2009

⁽¹⁾ The U.S. Green Building Council's LEED green building certification system is the foremost programme for the design, construction and operation of green buildings. The U.S. Green Building Council's LEED rating system is the pre-eminent programme for the design, construction and operation of green buildings. 35,000 projects are currently participating in the LEED system, comprising over 5.6 billion square feet of construction space in all 50 states and 91 countries. For more information, visit www.usgbc.org.

^(fn) Saving is estimated based on average electricity tariff in 2009 released by Singapore Power.

⁽²⁾ The BCA Green Mark Scheme is an initiative by the Singapore government to move Singapore's construction industry towards sustainable and eco-friendly buildings by incorporating best practices in environmental design and construction and adoption of green building technologies. For more details, go to www.bca.gov.sg.

⁽³⁾ For more details and complete list of rankings, go to www.bca.gov.sg.



The first commercial development to be accorded a Building and Construction Authority (BCA) Green Mark Platinum Award, City Square Mall boasts of an extensive range of innovative green features.

City Square Mall Pushes the Green Envelope

Since day one, City Square Mall has been conceptualised with environmental sustainability in mind. With extensive green innovations, City Square Mall has been designed to be a showcase of an eco-friendly and community-friendly mall. The 700,000 square feet Mall is also an effective platform for CDL to reach out to our tenants and community-at-large and raise their level of eco-consciousness through its programmes and initiatives. For instance, the Mall was the perfect test bed for NTUC FairPrice, Singapore's largest supermarket retailer to launch their pilot eco-friendly outlet which includes features such as a green store design, green technology and green products and services.

City Green, the first public park to be integrated with a mall, was designed to provide a learning experience about ecology and the natural environment. The 49,000 square feet park feels like a green carpet laid out in front of the mall to welcome visitors.

"As a socially responsible retailer and an industry leader, NTUC FairPrice recognises the importance of environmental advocacy and is passionate about doing our part to promote environmental awareness through our stores. This pilot eco-friendly supermarket complements our existing green initiatives and lets us promote a greener shopping environment in partnership with Singapore's first eco-mall, City Square Mall."

– Mr Gerry Lee, Deputy Managing Director for Group Business and Chairman of the Green Committee, NTUC FairPrice

The first commercial development to be accorded a Building and Construction Authority (BCA) Green Mark Platinum Award, City Square Mall offers an array of green features.

- Estimated annual electricity savings: Over 11 million kWh per year, equivalent to the electricity consumption from more than 2,000 4-room HDB flats
- Estimated reduction in CO₂ emission: Over 5,000 tonnes per year, equivalent to over 140,000 trees required to absorb the amount of CO₂ emission
- Estimated annual water savings: Over 20,000 m³ per year, equivalent to 10 Olympic-sized swimming pools

Extensive Green Features

- Screens around the Mall display real-time performance of energy consumption, carbon dioxide level, solar energy amount, humidity level and temperature etc to raise shoppers' eco-awareness
- Labelling of eco-features to provide shoppers with an eco-learning experience
- Twin Chute Pneumatic Waste Disposal System for tenants to separate general and recyclable waste
- Electric-car ready parking lots with charging stations and dedicated lots for Hybrid cars
- Driveway motion sensors to control lighting level at B4 carpark result in an estimated electricity savings of 50,000 kWh annually
- Carbon monoxide sensors for basement carpark will lead to estimated energy savings of over 2 million kWh per year
- Eco-restrooms comprise waterless urinals to save estimated 3,000 m³ of water annually
- High efficiency chiller plant equipment with estimated energy savings of 4.7 million kWh annually

Going the Extra Mile for Customers

Bringing Green Home to Our Customers

Launched in March 2004, CDL was the first private property developer to initiate a green programme highlighting the green features in the new residential development to our homebuyers. Called "Let's Live Green!", this eco-home outreach initiative for CDL homebuyers also aimed to encourage our customers to make lifestyle choices like purchasing energy-saving appliances and practicing

"By introducing green initiatives and informative environmental graphics, complemented with eco-messages strategically placed around the mall that are fun, interactive and educational, we hope to emphasize City Square Mall's eco-friendly positioning in Singapore and continue driving social responsibility amongst shoppers, tenants and the community as a whole."

– Mr Chia Ngiang Hong, Group General Manager, CDL

eco-friendly habits to reduce their carbon footprint. These decisions made will have a positive impact on our environment and community. "Let's Live Green!" is a fine example of CDL providing value-added service for our homebuyers.



As part of CDL's "Let's Live Green!" initiative, homeowners of The Oceanfront @ Sentosa Cove were presented with goodie bags made of jute which comprised a Green Living Guide and solar powered lamp at the TOP (Temporary Occupation Permit) Welcome Party. They also attended presentations by Singapore Environment Council on going green at home as well as gardening tips by the National Parks Board.



"Very casual & informative event."

– Mr Lin Li-Wei, homeowner at The Solitaire TOP Welcome Party

Mr Lim Tow Fok, General Manager (Property & Facilities Management), CDL, extends a warm welcome to the homeowners of The Solitaire at the TOP Welcome Party.

CDL homebuyers are invited to a special TOP Welcome Party, often held before the handover of the keys to their home. The event provides an opportunity to experience and view their new home. The programme will often include a line-up of green activities including talks and exhibitions to encourage homeowners to play a part in environmental conservation through the 3Rs – Recycle, Reduce and Reuse.

To literally take the message home, they are also given a specially customised Green Living Kit which contains a Green Living Guide – a book with tips on how to lead a green lifestyle, a brochure listing all the eco-friendly features in their new home and how to use them.

This initiative has reached out to over 3,000 CDL households since the launch and feedback solicited via survey has been positive. At the most recent event held at The Oceanfront @ Sentosa Cove, a luxurious residential development at Singapore's first and only gated community, over 80% of the homeowners surveyed were satisfied with the "Let's Live Green!" Exhibition showcase and 85% gave the thumbs up for the "Going Green At Home" talk presented by CDL's long-time partner, Singapore Environment Council.

This affirmative feedback is a clear indication that six years on, "Let's Live Green!" remains as relevant, if not even more so, in this new eco-conscious decade.



At City Square Residences, CDL took the feedback of our homebuyers very seriously and responded swiftly to their satisfaction.

Our Customers – We're All Ears!

Feedback from our customers is key to improving ourselves to serve them better. We offer multiple channels of communication and feedback so that we can engage customers formally and informally to ascertain their satisfaction as well as to anticipate the changing needs of our customers. We value all constructive feedback given by our customers.

Even before the completion of City Square Residences, we received feedback via phone and email that there were concerns regarding the design of the boundary fencing in late October 2008. As the condominium is located in an area with substantial pedestrian traffic, there were fears that the original fence design had indents that passers-by could potentially use as a bench and thus pose a possible safety and security risk for the residents.

CDL took this feedback very seriously and immediately reviewed the design's shortcomings and explored various alternatives. The fencing design was then changed to the satisfaction of the residents. All in all, the entire process took less than a month.

This matter which was actively discussed on the homeowners online forum also resulted in a positive feedback from CDL's swift response. The 910-unit City Square Residences received its Temporary Occupation Permit in December 2008 for Phase 1 and March 2009 for Phase 2.

Bridging the Green Gap – Sustainable Practices for Our Suppliers

To raise our builders' Environmental, Health and Safety (EHS) standards, CDL developed the 5-Star EHS Assessment System in 2001 as an audit tool to assess the level of management commitment in safety and occupational health at their work sites. The assessment is independently appraised and graded quarterly, on a scale of one to five stars, by independent auditors engaged by CDL.

After each assessment, results are then presented to the top management of the builders and consultants at our quarterly 5-Star EHS Seminars. The seminars serve as a platform for us to promote sharing of best practices and at the same time exert "peer pressure" on our builders to perform better.

"On behalf of all owners of City Square Residences, I would like to say A BIG THANK YOU to CDL MANAGEMENT for listening to our concerns and acting fast in putting things right! We are all very glad that we have chosen to buy our condos from a reputable developer like CDL, who cares and listens to customers' concerns."

– From homeowner "khimba" via email

In 2003, we expanded our assessment scope to cover best practices in energy & water consumption, waste, noise and public health management. Thereafter in 2008, we integrated ConSASS, an audit tool developed by the Workplace Safety & Health Council (WSHC), into our 5-Star EHS scoring system.

In 2005, CDL introduced the 5-Star EHS Excellence Awards to recognise builders who have excelled in our 5-Star EHS scores over a one-year period. A year later, in support of the Government's push for workplace safety and health, we further conceived a monetary award to motivate and reward our builders who have gone on to win a WSH Council award for the same work site in the same year. A total of 16 excellence awards and seven monetary awards have been presented to our builders.

Our influence has inspired our builders and consultants to establish their own EHS management system and more than 50% have obtained the ISO 14001 and OHSAS 18001 standards. In addition, all the main builders of CDL projects are required to attain both certifications.

What do our builders think of the CDL 5-Star EHS Assessment System?

"CDL's 5-Star Audit is an effective way to improve our site organisation. It is a powerful motivational tool and it generates a virtuous and continuous improvement for our project teams."

– Mr Frederic Perez, Project Director of Dragages Singapore Pte Ltd

“EHS is the cornerstone to the high standards which both CDL and Hyundai aim for. The CDL 5-Star EHS Assessment system is the key to ensuring that we achieve the aim.”

– Mr Im Jin Mo, Managing Director of Hyundai Engineering & Construction Co. Ltd.

“We appreciate CDL’s strong support and encouragement to maintain good safety for all their projects. A hallmark of their leadership in Corporate Social Responsibility is the focus on key areas of safety, hygiene and healthy work environment in their construction projects.”

– Mr Masanobu Shinoda, Managing Director of Kajima Overseas Asia Pte Ltd

“CDL’s holistic approach towards EHS Excellence through engaging all stakeholders and tirelessly fostering a SHARING CULTURE has inspired us to adopt many innovative ideas and best practices in our projects.”

– Mr Pek Lian Guan, Managing Director of Tiong Seng Contractors (Pte) Ltd

CEO’s Pledge for EHS Excellence

On 9 February 2010, CDL invited all our builders and consultants to sign a CEO Pledge for Zero, in declaration of their commitment towards EHS Excellence for the development of our projects. This is in line with WSH Council’s initiative of signing the Pledge for Zero for

workplace safety in 2008 and reaffirms our sustained commitment to work closely with all our builders and consultants to raise the EHS standards for CDL and Singapore.

Labour Policy at Work Site

CDL stipulates that all our builders comply with the labour rights of workers employed by them at their work sites. Our builders are responsible to take all measures necessary to keep the work site safe and without risks to health for the 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 ventilation.

Green Procurement Guidelines

In 2008, CDL formalised our Green Procurement Guidelines to influence our vendors and suppliers at our corporate office to adopt green procurement practices.

Green Procurement Guidelines:

- Share the corporate EHS Policy with new vendors and suppliers
- Indicate preference for use of eco-friendly/recycled materials and products
- Indicate preference for ISO 14001 certified vendor
- Declare the use of eco-friendly/recycled paper on printed materials

Year	CDL 5-STAR EHS EXCELLENCE AWARD	CDL 5-STAR EHS MONETARY AWARD
2005	Sumitomo Mitsui Construction (for The Pier at Robertson) Shimizu Corporation (for Residences @ Evelyn) Tiong Seng Contractors (for Parc Emily) Dragages Singapore (for The Sail @ Marina Bay)	N.A.
2006	Woh Hup (for City Square Residences) Tiong Seng Contractors (for Parc Emily)	Shimizu Corporation (for Residences @ Evelyn) Tiong Seng Contractors (for Parc Emily)
2007	Tiong Seng Contractors (for Tribeca) Woh Hup (for City Square Residences)	Tiong Seng Contractors (for Parc Emily) Woh Hup (for City Square Residences)
2008	Dragages Singapore (for The Arte) Kajima (for Cliveden at Grange) Kajima (for City Square Mall)	Tiong Seng Contractors (for Tribeca) Woh Hup (for City Square Residences)

Year	CDL 5-STAR EHS EXCELLENCE AWARD	CDL 5-STAR EHS MONETARY AWARD
2009	Dragages Singapore (for The Residences at W Singapore Sentosa Cove and The Arte) Tiong Seng Contractors (for Tribeca and Shelford Suites) Hyundai Engineering & Construction Co (for One Shenton)	Dragages Singapore (for 11 Tampines Concourse)

CDL’S CSR MILESTONES, AWARDS AND ACCOLADES

CDL’s journey in sustainability is marked by milestone initiatives and achievements that have shaped our performance and furthered our cause.

Along the way, we have also received recognition, internationally and locally, which serves to validate our efforts. What we have achieved so far only spurs us on to make even greater headway today for a better tomorrow for all.











2010	BUSINESS	ENVIRONMENT	SOCIAL
First Singapore company to externally assure its sustainability report in accordance with the AA1000 Assurance Standard.			
Received the bizSAFE Mentor Certification for sharing its Workplace Safety and Health system and practices with participating Small and Medium Enterprises.			
Was conferred at the Building and Construction Authority (BCA) Awards 2010, 7 BCA Green Mark Awards, 2 Design & Engineering Safety Awards, 3 Construction Excellence Awards and 2 Universal Design Awards.			
One of only 13 companies from Asia to be listed in the prestigious 2010 Global 100 Most Sustainable Corporations in the World ranking by Corporate Knights Magazine which is announced annually at the World Economic Forum.			
7 & 9 Tampines Grande received the LEED Gold Certification from the US Green Building Council – the first and highest rating achieved by a completed Singapore project. LEED is an internationally recognised green building certification system, providing third-party verification that a building or community was designed and built using strategies aimed at improving performance across all metrics that matter most: energy savings, water efficiency, carbon dioxide emissions reduction, improved indoor environmental quality, and stewardship of resources and sensitivity to their impacts.			
Awarded Outstanding Sustainability Award (Enterprise Green Adopter) for sustainable business practices and green solutions at the inaugural Singapore Sustainability Awards 2010.			


* As at May 2010

2009	BUSINESS	ENVIRONMENT	SOCIAL
Accorded the Merit Award in 2009 for its inaugural Social and Environmental Report 2008 – the first CSR report published by a Singapore company to be successfully checked by the Global Reporting Initiative (GRI) at Level C - by the Association of Chartered Certified Accountants (ACCA) Singapore Awards for Sustainability Reporting 2008. The CDL Sustainability Report 2009 was independently assured and checked at Level B+ by GRI.			
Amongst the 17 founding signatories of the Anti-Corruption & Compliance Declaration, Southeast Asia's first anti-corruption declaration to stamp out graft.			
Presented with the Green Leadership Award at the Asia Responsible Entrepreneurship Awards 2009 in recognition of its leadership in sustainable and responsible business practices.			
Best Workplace Practices Category Winner at the Asian CSR Awards 2009 for its Workplace Health programme "Healthy Mind, Happy Life!".			
In the Asian Sustainability Rating, a study on CSR disclosure, CDL was the highest ranked company from Singapore – 22 nd amongst the 200 largest listed companies in 10 Asia Pacific countries with an improved score (66.1%: 2008, 74.5%: 2009). CDL was also ranked 2 nd in the environment section			
11 Tampines Concourse is the first CarbonNeutral® development in Singapore and Asia Pacific.			
Initiated by CDL Managing Director Mr Kwek Leng Joo in 1999, City Sunshine Club (CSC) celebrated 10 years of staff volunteerism.			
Received the CSR Recognition Award for its sustained commitment towards CSR.			
Accorded Employer Award for Disability Employment and Inclusion in recognition of its contribution to the removal of barriers and improved inclusion of disabled people in the workplace.			
Achieved the Singapore Quality Class (SQC) certification, attesting to CDL's overall business excellence standard based on the internationally-benchmarked business excellence framework.			
Only developer to be conferred the inaugural BCA Built Environment Leadership Platinum Award at BCA Awards 2009. Also received 8 BCA Green Mark Awards, 1 Green Mark for Office Interior Award, 3 Design & Engineering Safety Excellence Awards, 2 Construction Excellence Awards and 1 Universal Design Award.			

2008	BUSINESS	ENVIRONMENT	SOCIAL
First company from Singapore to publish a social and environmental report successfully checked by Global Reporting Initiative (GRI).			
Ranked 7 th place among the 20 largest listed companies in Hong Kong, Malaysia, Thailand and Singapore in CSR Asia Business Barometer 2008, a study on CSR disclosure. This makes CDL the highest ranked company in Singapore.			
Endorsed the United Nations (UN) Caring For Climate statement to mobilise the business community to develop solutions to reduce climate risk.			
Winner of three Asian CSR Awards 2008 Excellence awards which honours companies in Asia for their projects and programmes in CSR. CDL was the only company from Singapore to be accorded.			
Conferred the Excellence Award for Best Corporate Social Responsibility (CSR) by the Institute of Public Relations of Singapore at the PRISM Awards 2008, in recognition of its outstanding CSR strategy, which takes a holistic approach in impacting the community through dedicated outreach programmes.			
Pioneered issuance of Singapore's first Sukuk-Ijarah unsecured financing agreement, under a proposed S\$1 billion Islamic Multi-Currency Medium Term Notes Programme to tap new markets and investors.			
Only developer to be accorded the inaugural BCA Green Mark Champion Award at BCA Awards 2008. Also received 10 BCA Green Mark Awards and 2 Construction Excellence Awards.			
Achieved ISO 14001: 2004 Environmental Management System for Corporate Management and Operations for all functions at headquarters.			
Accorded Work-Life Excellence Award for commitment to harmonise work and personal needs of employees.			
Received Singapore H.E.A.L.T.H. (Helping Employees Achieve Life-Time Health) Award (Platinum) for outstanding Workplace Health Promotion programmes.			
Awarded the Minister for Home Affairs (MHA) Award (formerly known as Special Award), the highest Home Team National Service Awards for Employers for outstanding and consistent contribution towards Singapore's national defence. Starting 2008, MHA also introduced the Minister's Honours Roll and CDL has been inducted into this new league.			

2008 (cont'd)	BUSINESS	ENVIRONMENT	SOCIAL
A second-time recipient of the Ministry of Manpower (MOM) Workplace Safety and Health Awards 2008 Developer Award and remains the only private developer to have received this honour.			
On the honours roll of the Patron of the Arts Award for the 12 th consecutive year.			
City House, CDL's headquarters, received the Water-Efficient Building Certificate from Public Utilities Board (PUB) in recognition of its efforts to conserve water.			
Certified as bizSAFE Partner by the Workplace Safety and Health Council.			
2007	BUSINESS	ENVIRONMENT	SOCIAL
Achieved ISO 9001 and ISO 14001 certification for 14 Investment Properties.			
Accorded the pinnacle awards from the Office of the President of the Republic of Singapore. <ul style="list-style-type: none"> • President's Social Service Award • President's Award for the Environment 			
Pioneered the "1°C Up Campaign" in 11 CDL commercial buildings. <ul style="list-style-type: none"> • Aims to increase the air-conditioning temperature range by 1°C to save energy and reduce carbon emissions. 			
Presented with the Patron of the Arts Award by the National Arts Council for its sustained contribution towards the promotion and development of the arts in Singapore since 1997.			
First private developer to be awarded BCA Green Mark Platinum – the highest honour accorded for developing eco-friendly properties by BCA. <ul style="list-style-type: none"> • City Square Mall (Commercial) • The Oceanfront @ Sentosa Cove (Residential) 			
Presented with the CSR Recognition Award by Singapore Compact in recognition of its sustained commitment towards CSR.			
Accorded Watermark Award 2007 by PUB which is the highest accolade for Friends of Water who have made significant contributions towards Singapore's water sustainability.			
Conferred the Total Defence Awards and Home Team NS Awards for Employers 2007 (Special Award) in recognition of its support and contribution towards National Service (NS) activities in the Singapore Armed Forces, Singapore Police Force and Singapore Civil Defence Force respectively.			

2007 (cont'd)	BUSINESS	ENVIRONMENT	SOCIAL
Conferred the The Distinguished Partner of the National Youth Achievement (NYAA) Award in recognition of its continuous partnership and support towards youth development.			
2006	BUSINESS	ENVIRONMENT	SOCIAL
The only property developer in Singapore to be conferred the international Royal Society for the Prevention of Accidents (RoSPA) Gold Award for excellence in Occupational Health and Safety management in the workplace consecutively for four years from 2006 to 2009.			
CDL is the first local MNC to win the prestigious Corporate Citizen Award by the National Volunteer & Philanthropy Centre.			
The only Gold Award winner in the Property Developer category in Reader's Digest's Annual Consumer Brand Preference Award in 2006. We were also awarded consecutively from 2006 to 2009.			
Established a Work-life Committee to promote work-life and health activities for a well-balanced lifestyle.			
Accorded the MOM Developer Award in Workplace Health and Safety Awards in 2006, 2008 and 2009. CDL is the only developer to be awarded this honour.			
2005	BUSINESS	ENVIRONMENT	SOCIAL
One of Singapore's pioneering group of signatories to join the UN Global Compact to uphold its 10 Principles.			
Conferred the "Best in Class" status by Storebrand's Socially Responsible Investments (SRI) for CDL's CSR programmes.			
CDL is the sole winner of the Best Social Report category of the Singapore Environmental & Social Reporting Awards 2005 (SESRA) awarded by the Association of Chartered Certified Accountants (ACCA), which recognises organisations which report and disclose environmental or social information.			
Presented with the Singapore Green Plan 2012 Award by the Ministry of Environment and Water Resources for leading the industry in good environmental practices and educating its stakeholders to adopt eco-friendly habits.			
Obtained Green Office Label Certification in recognition of its commitment to environmental protection at the workplace by Singapore Environment Council (SEC), and has been recertified for another two year term in 2007 and 2009.			
Awarded the Singapore H.E.A.L.T.H. Award 2005 (Gold) by the Health Promotion Board in recognition of commendable Workplace Health Programmes (WHP) to encourage employees to lead healthy and vibrant lives.			

2005 (cont'd)	BUSINESS	ENVIRONMENT	SOCIAL
CDL was listed on the new FTSE/ASEAN Index and the FTSE/ASEAN 40 Index.			
Republic Plaza, Fuji Xerox Towers and City House were conferred the Energy Smart Office Award by National University of Singapore (Energy Sustainability Unit) and National Environment Agency (NEA).			
2004			
Awarded the prestigious Singapore Environmental Achievement Award by SEC for its dedication and success as a green developer and advocate.			
Pioneered "Let's Live Green!" – an outreach programme to educate and inform CDL's homebuyers on how to practice green habits within their homes.			
Awarded the Singapore Family Friendly Employer Award 2004 by a Tripartite Committee on Work-Life Strategy, which includes the Ministry of Community Development and Sports, Ministry of Manpower, National Trade Union Congress and Singapore National Employers Federation for its family-friendly corporate culture.			
Formation of an employee welfare task force StaffConnect @ CDL aimed at reinforcing employees' sense of belonging and team spirit.			
2003			
Established a formal EHS policy to ensure compliance with all EHS requirements throughout property developments.			
Achieved ISO 14001:1996 Environmental Management Certification for commitment in raising environmental standards in our developments and building high-quality homes that feature eco-friendly facilities.			
Achieved OHSAS 18001 Health and Safety Certification for establishing a EHS policy to monitor the environmental impact of our operations and improve workplace safety.			
2002			
Established a formal Risk Management Framework to assess, identify, evaluate, monitor and manage the Company's business risks.			
Launched Savannah CondoPark – Singapore's first specially designed Eco-Condo.			
Pioneered Project Eco-Office outreach programme with SEC which encourages offices to go green.			

2002 (cont'd)	BUSINESS	ENVIRONMENT	SOCIAL
CDL was one of the six companies in Asia (excluding Japan) to be included into the FTSE4Good Index Series listing in 2002. CDL continues to be listed in this index to-date.			
The inaugural CDL Singapore Sculpture Award was launched. It has since been held biennially.			
2001			
First Singapore developer to establish a formal Customer Relationship Management Call Centre to promptly and efficiently follow-up on customer feedback and enquiries.			
Established CDL 5-Star EHS Assessment System to conduct quarterly audits by an independent auditor to monitor and raise EHS standards at the construction worksite.			
Awarded SIAS Investors' Choice Awards for being among Singapore's Most Transparent Companies (Property) by Securities Investors Association Singapore (SIAS) and endorsed by the Singapore Exchange. CDL has continued to receive this award annually to-date.			
1999			
Established City Sunshine Club, an employee volunteer programme.			
1998			
Published "Beauty of Nature" Corporate Calendar Series, volume 1. This series has continued for over a decade with the aim to support the conservation of our natural and cultural heritage.			
1997			
Presented with the Friends of the Arts Award at the Patron of the Arts Award by the National Arts Council for the promotion and development of the arts in Singapore for the first time.			
CDL has been on the honours roll for the 13 th consecutive year to date.			



CDL is cognizant that what presents itself as a potential business risk may also be a possible opportunity for business growth. Over the years,

CDL has carefully developed into a company with a firm foundation and robust track record. In our pursuit for business excellence, we have established a framework to ensure that a high standard of corporate governance and transparency is practised.



As our business continues to expand, we endeavour to protect our stakeholders' multiple interests by proactively reviewing and enhancing our business operations regularly to ensure significant business risks are identified, assessed and managed.

Corporate Governance and Risk Management

CORPORATE GOVERNANCE

We are committed to maintaining good corporate governance in accordance with the principles and guidelines set out in the Code of Corporate Governance released by the Council on Corporate Disclosure and Governance in 2005 ("CCDG Code") and the Company has adopted a set of internal guidelines on corporate governance aligned with the CCDG Code. For more detailed information on the Company's corporate governance practices, please refer to the Company's Corporate Governance Report as set out in the Company's Annual Report 2009 (pages 27 to 35).

The Company recognises the importance of strong corporate governance in the pursuit of continued and sustainable growth in the Group's economic, social and environmental performance, and to ensure effectiveness of the Company's CSR initiatives and activities.

The Board of Directors (the "Board") has general oversight of the Company's business, with its primary functions being the setting of corporate policy, providing guidance and approving strategic plans and direction for the Company, reviewing Management performance, establishing and overseeing the framework for internal controls and risk management, and assuming the responsibility for good corporate governance. The Board comprises 8 members, all of whom are non-executive Directors, except for the Chairman and the Managing Director. There is a strong and independent element on the Board with 5 out of the 6 non-executive Directors considered to be independent, each viewed by the Board as being capable of maintaining his objectivity and independence at all times in the carrying out of his duties and responsibilities as an independent Director.

The responsibilities of the Board are carried out either

directly by the Board or through committees established by the Board, which include the following:

- (i) **The Board Committee**, comprising 5 Directors, the majority of whom are non-executive, which deliberates on operational matters requiring Board review.
- (ii) **The Audit Committee**, comprising 4 non-executive and independent Directors, which assists the Board, inter alia, in providing an independent review of the effectiveness of the CDL Group's financial reporting process and material internal controls, encompassing financial, operational, compliance and risk management controls. Such review is undertaken through a monitoring program involving internal and external audits.
- (iii) **The Nominating Committee**, comprising 3 Directors, the majority of whom including the Chairman are non-executive and independent, which assists the Board in the recommendation and review of board appointments and re-appointments, determination of independence of each Director and identification of new directors who have the requisite knowledge, experience and skills to contribute effectively to the Board. The Nominating Committee also evaluates the Board's performance as a whole on an annual basis, using objective and appropriate quantitative and qualitative criteria with quarterly performance indicators which include comparisons of the Company's performance for the period under review against the Company's performance for the corresponding period in previous years and also against industry peers and industry averages.

(iv) **The Remuneration Committee**, comprising 3 non-executive Directors, all of whom including the Chairman are independent, which assists the Board in the review and recommendation for endorsement of the Board, a framework of remuneration and specific remuneration packages for each Director, including the Executive Chairman, the Managing Director and also for the Group General Manager. The Remuneration Committee in its review role, also ensures that remuneration policies of the Company are generally in line with the strategic objectives set by, and corporate values of, the Company. Such remuneration framework, which includes both fixed and variable components, takes into account, amongst other factors, the individual's performance, the performance of the Group and industry practices.

Mr Kwek Leng Beng is the Executive Chairman of the Company and the Chairman of the Board. The holding of these dual roles by Mr Kwek Leng Beng, together with the strengths brought to these roles by a person of Mr Kwek Leng Beng's stature and experience, has been considered by the Board. Taking into account also the internal controls in place to allow effective oversight by the Board to ensure appropriate balance and authority for the Board to exercise objective decision-making, the Board is of the view that there is currently no necessity to effect a separation of the role of the Chairman of the Board and the Executive Chairman, and these two roles may be performed by one person to facilitate the Group's decision-making and implementation process.

As the most senior executive in the Company, Mr Kwek Leng Beng provides overall leadership and strategic vision for the CDL Group. He is assisted by his brother, Mr Kwek Leng Joo, the Managing Director of the Company, in charting broad direction, strategies and policies of

the CDL Group. Mr Kwek Leng Joo also has charge of the overall co-ordination of the Management team for the effective implementation of business strategies and policies.

The Company has adopted a Code of Business Conduct and Ethics which sets out the ethical values and business standards of the Company. The Code provides a communicable and understandable framework for all Directors and 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 its customers, suppliers and amongst employees, including situations where there are potential conflicts of interests.

Since 2006, the Company has also adopted a whistle-blowing policy and put in place procedures whereby staff of the Company can raise in confidence and on an anonymous basis legitimate bona fide concerns on possible improprieties relating to accounting, financial reporting, internal controls and auditing matters without fear of reprisals in any form. Within these procedures are arrangements for independent investigation of such matters raised, for appropriate follow up action to be taken and for reports to be made to the Audit Committee which has oversight responsibility of this policy. Such policy is communicated to all staff company-wide and its scope includes possible improprieties involving fraud or deliberate error in the recording, maintaining, preparation or audit of the Group's financial records and statements, use of the Group's assets, funds or property for illegal, improper or unethical purposes, acts of corruption or bribery, and improper actions or omissions which are likely to endanger employees, customers, suppliers and/or members of the public.

Since 2002, the Company has established a formal risk management framework, which is benchmarked

against international risk management standards, to enable significant business risks within the Company's property investment, development and management arm to be identified, assessed, evaluated, monitored and managed. Further enhancements to the framework were implemented in 2007 with the assistance of independent consultants to manage the strategic business risks which are reflective of the changes in markets, products and emerging best practices. The efforts of the Company in this area underline the importance of risk management in the Company's business activities and as an essential component of its planning process. The Board's overall responsibility in this area is supported by the Audit Committee which has general oversight of the Company's risk management policy and procedures. For more information detailing the Company's risk management process, please see the following section on Risk Management.

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 for determining the nature of its business risks and to ensure that risks in new and existing businesses are managed and business plans and strategies accord with the risks appetite that the Company undertakes to achieve its corporate objectives.

To assist the Board in its risk management oversight, the Audit Committee reports to the Board on matters relating to the risk management policies and systems of the Company. A Risk Management Committee ("RM Committee"), whose members comprise senior management, is responsible for maintaining the processes which will provide the Board with a systematic and enterprise-wide view of the risks involved in property

investment, development and management activities. The RM Committee reports quarterly to the Audit Committee on the overall strategic and operational risks positions, including mitigating measures, treatment plans and the occurrence or potential occurrence of significant risk events. These processes are put in place to manage and monitor the Company's risk management activities on a regular and timely basis.

The RM Committee had, since 2002, established a formal risk management framework to enable significant business risks to be identified, assessed, evaluated, monitored and managed. The procedures and processes within the formal risk management framework, benchmarked against other international standards and current risk management practices, enable the Company to regularly review its significant strategic business risks; consider the effectiveness of the Group's system of internal controls to limit, mitigate and monitor identified risks; and consider the implementation of further action plans to manage strategic business risks which are reflective of changes in markets, products and emerging best practices.

The following types of risks are managed within the Company's formal risk management framework:

Operating 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 operating risks within each of their functional areas. The implementation and use of a system of internal controls, and operating, reporting and monitoring processes and procedures (including processes involving due diligence and collation of market intelligence and feedback), supported by information technology systems and constant development of human

resource skills through recruitment and training, are important elements of the risk management framework, to mitigate risks relating to product and service quality assurance management, costs control management, design and product innovation, market intelligence, marketing / sales and leasing management, financial control management and regulatory compliances in the Company's operations. The maintenance of adequate insurance coverage for the Company's assets, and the protection of and continued investment in the security and integrity of its information technology systems and database which are highly integrated with its business processes, are also part of the Company's control processes for the protection of its assets.

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, financial modeling and sensitivity analysis on key investment assumptions and variables. Each investment proposal is objectively evaluated to fit the corporate strategy and investment objective. Potential business synergies, including collaboration risks assessments, are identified early to ensure business partnership objectives and visions are well-aligned and collaboration partners are like-minded and compatible.

Treasury and Financial Risks

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

The Group has a system of controls in place to create an

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

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

Credit Risk - The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of these financial assets. Transactions involving financial instruments are entered into only with counterparties that are of acceptable credit quality. Cash and fixed deposits are placed with banks and financial institutions which are regulated.

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

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

Foreign Currency Risk - The Group is exposed to foreign

currency risks on sales, purchases and borrowings that are denominated in a currency other than the respective functional currency of the Group's entities.

The Group manages its foreign exchange exposure by a policy of matching receipts and payments, and asset purchases and borrowings in each individual currency. Forward foreign exchange contracts are used purely as a hedging tool, where an active market for the relevant currencies exists, to minimise the Group's exposure to movements in exchange rates on firm commitments and specific transactions. Wherever necessary, the Group finances its property, plant and equipment purchases by using the relevant local currency cash resources and arranging for bank facilities denominated in the same currency. This enables the Group to limit translation exposure to its balance sheet arising from consolidation of the Group's overseas net assets.

Human Resource Risks

The Company recognises human resource as an important contributing factor towards the stable growth of the Company, and accordingly efforts are taken to enhance the processes for recruitment, compensation, training and development of employees. Identification of core competencies is critical in the employee selection and development processes, and the implementation of performance assessment and management programme, coupled with career development and training programme, 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 programme 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. A Business Continuity Management Committee ("BCP Committee"), whose members comprise senior management, is responsible for overseeing the maintenance of the BCP. Procedures and processes of the BCP include identification of alternate recovery centers, operational procedures to enable communication, continuity of critical business functions and recovery of database in the event of a crisis incident. Periodic incident management drills are conducted to familiarise employees with the emergency response and crisis management plans of the Company. The plans to carry out periodic tests on BCP as well as the results of these tests are reviewed by the BCP Committee annually and reported to the Audit Committee.

The Group's hotel arm, under Millennium & Copthorne Hotels plc ("M&C"), includes within its internal control framework, processes for the management of key risks to the success of the M&C group, which are periodically reviewed by M&C's audit committee and board of directors. These processes include, but are not limited to, risks relating to the protection of the M&C group's brands and intellectual property rights, exposure to litigation, market share and competition, human resource, customer satisfaction, health and safety issues, treasury and financial performance, acquisition opportunities, insurance, hotel and information technology systems and infrastructure, and global and regional political, economic and financial market developments.



Our business must thrive alongside our environment. Mindful that our business activities are intertwined with the environment, CDL's efforts to mitigate our environmental impact have dramatically transformed the way we operate over the past decade.

Thrive

Not resting on our laurels, we will capitalise on our experience and partnerships with our business associates for better environmental performance in the years to come.

Our Environment

For over a decade now, CDL has been championing the cause for green building in Singapore and will continue to do so because it is the right thing to do. We make it our business to take bold steps towards mitigating our impact on the environment and striving to apply environmentally-friendly practices in our operations.

As a result of these measures, CDL achieved a 10% reduction in our total carbon emissions in 2009 as compared to the previous year, with all business operations contributing to the overall reduction in carbon footprint.

EHS Policy

In 2003, the Environmental, Health & Safety (EHS) Policy was established by CDL's top management team. This sets the strategic direction for all departments and employees towards creating a 'Green & Safe' culture, conserving resources and preventing pollution.

CDL'S ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)

In 2003, CDL became the first private property developer to be accorded ISO 14001 Environmental Management System and OHSAS 18001 Occupational Health and Safety Management System in Property Development and Project Management. In 2007, 14 of our commercial buildings attained the Integrated Management System ISO 14001 and ISO 9001 Quality Management System for Property & Facilities Management. In 2008, we were awarded ISO 14001 in Corporate Management and Operations for all functions at our headquarters.

The EMS, which is based on a Plan-Do-Check-Act model,

is integrated into CDL's business operations. It provides a systematic approach to minimise CDL's operational impact on the environment and provides the framework for continual improvement in our environmental performance.



TRAINING, AWARENESS AND COMMUNICATION

CDL places great emphasis on our employees as well as those working on behalf of the Company, such as our builders and suppliers whose jobs may cause significant environmental impact, on having the necessary expertise, training or experience to carry out their work.

CDL provides training and awareness programmes to increase the environmental awareness of employees. All new employees are briefed on CDL's Corporate EHS Policy and their roles in the EMS. Employees are also strongly encouraged to attend external seminars and workshops to upgrade their skills and enhance their knowledge related to environmental management. As for our builders, CDL has been facilitating the quarterly CDL 5-Star EHS Audit Seminars since 2001 to raise our builders' EHS standards and practices. Best practices and information are shared during the review sessions to encourage peer learning.

CDL also believes in engaging the support of our stakeholders including employees and external interested parties to achieve environmental excellence. We share with them our commitments, best practices, programmes and environmental performance data as well as solicit their feedback and suggestions for continual improvement through various communication channels. All CDL employees are encouraged to be forthcoming with the reporting of environmental related accidents, complaints, incidents, non-compliances and non-conformances. At CDL work sites, we provide a hotline number where the public can report to us. We are committed to take all necessary actions to prevent the occurrence of potential non-conformances or recurrence of non-conformances.

COMPLIANCE

As part of our ISO 14001 framework, CDL is committed to comply with all applicable legal requirements and carries out compliance evaluation on a quarterly basis, in particular when there are new regulations or changes to the legal requirements. We are also constantly assessing our business operations to ensure full compliance with the regulated limits enforced by the local governing authorities such as the Building and Construction Authority (BCA), National Environment Agency (NEA), Public Utilities Board (PUB), Workplace & Safety Health Council (WSHC) and Singapore Civil Defence Force (SCDF) as well as other relevant enforcers where appropriate.

In addition to ensuring that regulatory requirements are complied with during the initial planning stage, we are proactive in influencing and engaging our stakeholders, such as the architects, designers, engineers and surveyors to embrace safe and environmentally-friendly designs, plans and programmes. CDL continues to follow through the compliance status during the construction and operational phase. This is done through regular site safety audits under our CDL 5-Star EHS Assessment system.

EMS AUDIT

CDL's EMS audit programme involves teams of internal and external auditors conducting audits at least once a year.

Internal audits are essential to ensure the Company's EMS conforms to the ISO 14001 international standard. The actual frequency of internal audits depends on past audit results as well as the potential risks/importance associated with the activity or operations. Typically, each property development is to be audited at least once in its project cycle and each audit shall cover all three stages, i.e. planning, procurement and construction.

The Company is also subjected to external audits, conducted by an accredited certification body of the initial certification and surveillance visits. External surveillance audits are conducted each year to verify the Company's EMS conformance to the ISO 14001 standard until the next re-certification cycle.

ENVIRONMENTAL ASPECTS

Managing the environmental aspects is a key element in our EMS. CDL identifies significant environmental aspects for our business operations that can potentially have critical negative environmental impacts. To measure significance, a risk assessment criteria is used, consisting of the likelihood of the occurrence, severity of the impact and control measures.

CDL evaluates the key significant environmental aspects at our work sites, investment buildings and corporate office. From our assessment, energy use, water use, waste generation and carbon emissions are our most significant environmental aspects. We also cover other aspects such as paper use, waste paper recycling, noise, biodiversity and safety management.

CDL implements and evaluates measures to mitigate all significant environmental aspects. This is done through setting objectives and targets, establishing programmes and/or putting in place work procedures and work instructions. The guiding principle of the mitigating measures is to follow the hierarchy of control, starting with elimination, and then moving to substitution, isolation, use of engineering control, use of administrative control and last of all, use of personal protective equipment.

CDL has set specific environmental objectives and targets at our work sites, investment buildings and corporate office. For more information on the environmental objectives and targets, please see pages 48 and 49.

ENVIRONMENTAL AND SAFETY DATA

Key significant environmental aspects are identified and measured by respective business operations and include environmental and safety performance⁽¹⁾ of Projects Division, Property & Facilities Management Division and Corporate Management and Operations.

Projects Division's main activities are in Property Development and Project Management. Property & Facilities Management Division's business activity is the management of CDL's investment properties.

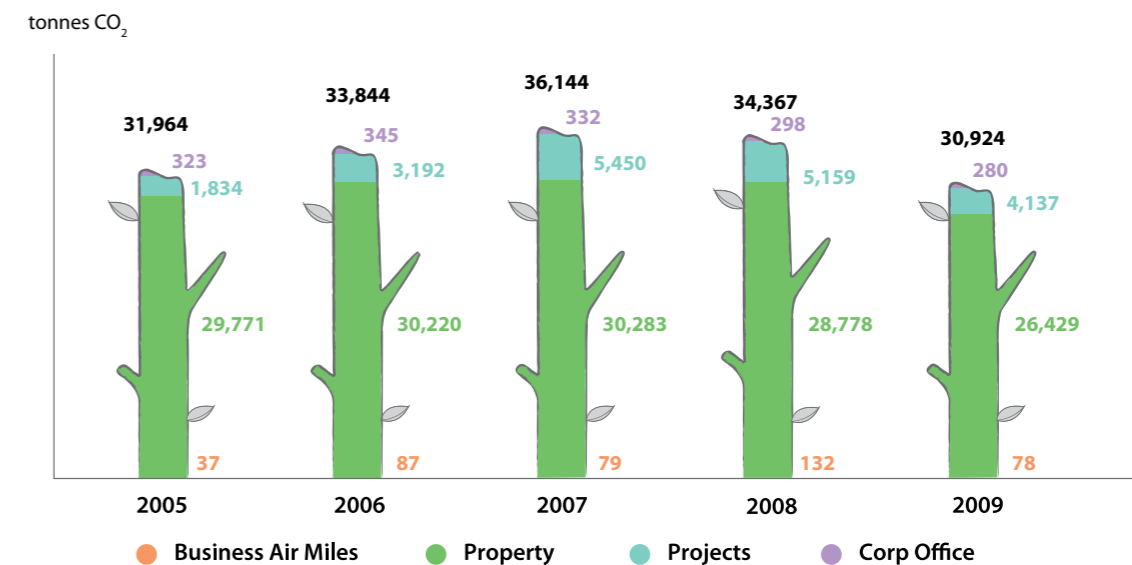
Carbon Emissions

Climate change is one of the greatest environmental challenges of our time and has become a global issue concerning every country, business and individual. The Singapore Government's announcement to reduce its carbon emissions by 16% below business as usual levels by 2020 and its commitment to manage the nation's carbon emissions has a significant impact on the building industry. (This will be addressed below under Energy.)

As a relatively low-lying, densely populated island in the tropics, Singapore is vulnerable to the adverse impacts of climate change⁽²⁾ and the potential environmental risks include coastal land loss, increased flooding, water resource scarcity, higher energy demand, heat stress, public health impact from resurgence of diseases and impact on biodiversity.

CDL recognises the impact of buildings on the environment and is committed towards addressing climate change in our business operations and reducing our carbon footprint. For instance, CDL voluntarily reduced our carbon emissions to "net zero"⁽³⁾ in one of our latest developments, 11 Tampines Concourse, which became the first CarbonNeutral[®] development in Singapore and Asia Pacific by offsetting some 6,750 tonnes of carbon dioxide for 2009. For more information, please see pages 50 and 51.

CDL's Total Carbon Emissions⁽⁴⁾



⁽¹⁾ Data from Projects Division has been provided by our main builders. The full-year 2005 energy and water data from Property & Facilities Management Division is an estimate, derived from the data available.
⁽²⁾ Singapore National Climate Change Strategy (March 2008).

⁽³⁾ Carbon Neutralise or 'Net Zero' refers to achieving net zero carbon emissions by balancing a measured amount of carbon released with an equivalent amount offset.
⁽⁴⁾ Energy conversion ratio: 1kWh electricity = 0.52307 kgCO₂ (2005-2007 data), 1kWh electricity = 0.5233 kgCO₂ (2008 data) and 1kWh electricity = 0.5016 kgCO₂ (2009 data). Source: National Environment Agency.

In 2009, we achieved a significant reduction of 10% on our total carbon emissions as compared to 2008. All business operations contributed to the overall reduction in carbon footprint. Our investment buildings managed to reduce their carbon emissions significantly by 8%. We have also carbon neutralised our corporate office operations by some 488 tonnes of carbon dioxide for 2009.

We have also reduced business air miles significantly by 40% in 2009 versus the previous year, although it only represents about 0.1% of total carbon emissions in the Company. Video conferencing is an effective way to reduce business travel and we encourage our employees to make full use of this facility, minimising air travel to further reduce our carbon impact.

Energy

Facing various constraints, Singapore has limited potential to adopt renewable energies. This is the reason why improving energy efficiency has become Singapore's key strategy to mitigate climate change for all business sectors.

The building sector accounts for one-third of Singapore's national electricity consumption. CDL is committed to improving our energy performance across our business operations. We recognise the global impact of climate change and are well prepared for new green legislation, which in our view is inevitable. As part of the Singapore Government's efforts to meet the nation's carbon commitment, BCA will increase by 10% the mandatory minimum energy efficiency standards for Green Mark certified new buildings by the end of 2010 and will also mandate the submission of building energy usage data from 2011. In addition, the Energy Conservation Act will also come into force in 2013. CDL already exceeds all of these requirements and these upcoming legislations have no impact on CDL operations as we have been an early adopter of the BCA Green Mark scheme since its inception in 2005 and CDL has set a minimum target that all new developments to be certified BCA Green Mark Gold and we have achieved this goal. Moreover, we have been disclosing our environmental data and performance since 2005.

CDL has been harnessing renewable energy in our developments through the implementation of solar panels. For instance, the first solar panels were installed in

Savannah CondoPark in 2002 and our recently completed office building, 7 & 9 Tampines Grande, has one of the largest solar installations in Singapore at 2,080 m², generating a total of 203,000 kWh of renewable energy. Part of the renewable energy generated is used for the innovative solar air-conditioning system to cool the atrium of the building. By adopting such green innovations into CDL properties, it is our aim to help develop the industry's expertise and capabilities in sustainable solutions for our built environment.

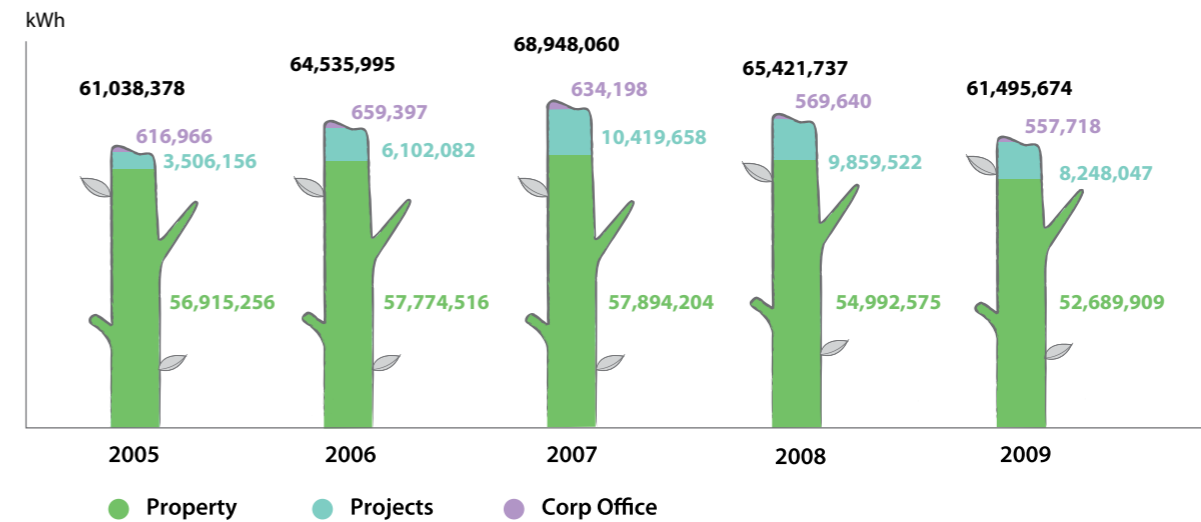
CDL uses electricity directly from the power grid supply through a sub-station at the construction stage whenever possible. This significantly reduces the use of diesel generator sets and promotes better utilisation of electricity from a cleaner energy source. The use of electricity grid power supply generates lower emissions of greenhouse gases, sulphur oxides, nitrogen oxides and particulates to the environment as compared to using generators.

Our efforts in energy conservation measures have achieved a 15% reduction in energy use at our corporate office from 2006 to 2009, mainly contributed by installing energy efficient fittings such as Nanoflex Reflectors for the office. More energy efficient lighting and equipments such as timers, sensors, LED lights, VAV Smart Cooling diffusers and flexible air-con ducting have also been installed in the offices. All new purchases are certified with the Energy Star label.

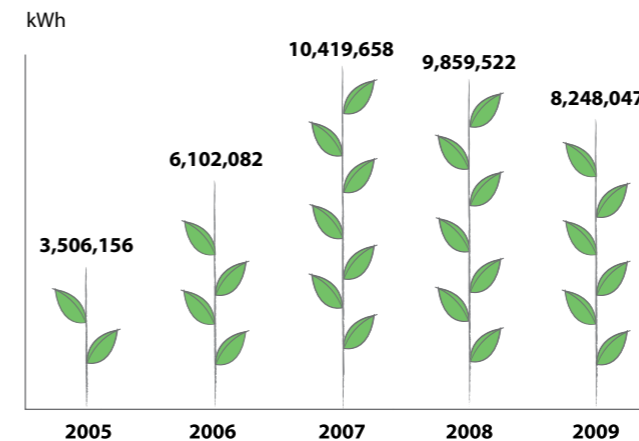
CDL has introduced various energy conservation features to reduce energy consumption in our buildings. This includes the use of motion sensors to activate the lights in toilets, carparks and stairways, the use of energy-efficient lighting, retrofitting high energy air-conditioning chillers and installing AHU (Air Handling Unit) equipped with variable speed drives.

CDL also assists in monitoring the individual electricity bills of our tenants. If there are fluctuations of more than 10%, the building manager will duly investigate the increase together with the tenant to follow-up on the cause. Today, CDL's "1°C Up Campaign" has been successfully expanded to 13 CDL buildings from the pilot launch of five buildings in 2007.

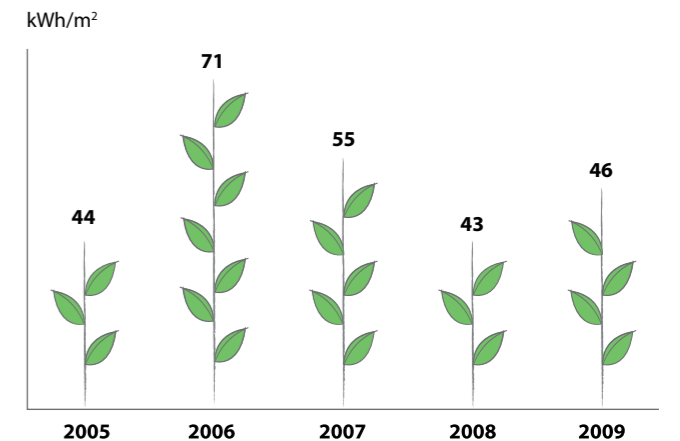
CDL's Total Energy Used



Total Energy Used at Work Sites



Energy Used Per Square Metre of GFA⁽⁵⁾ at Work Sites

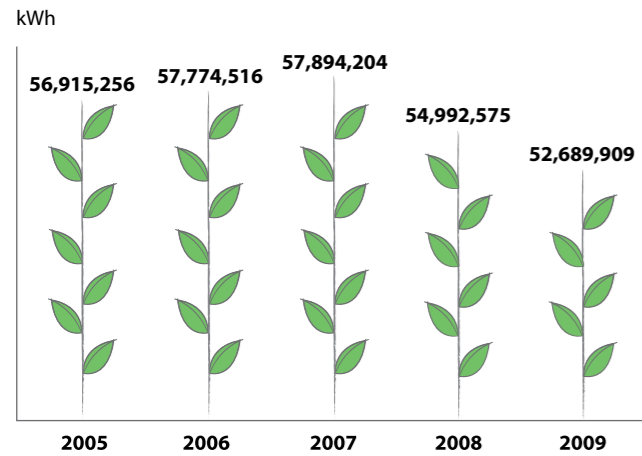


"We are aware that our carbon footprint has an effect on the global environment. However, we believe that by encouraging behavioural changes at both the institutional and individual level, we can mitigate the environmental impact of our business operations. As such, we are happy to support CDL's "1°C Up" initiative to increase the temperature in the building by 1°C to reduce our carbon footprint."

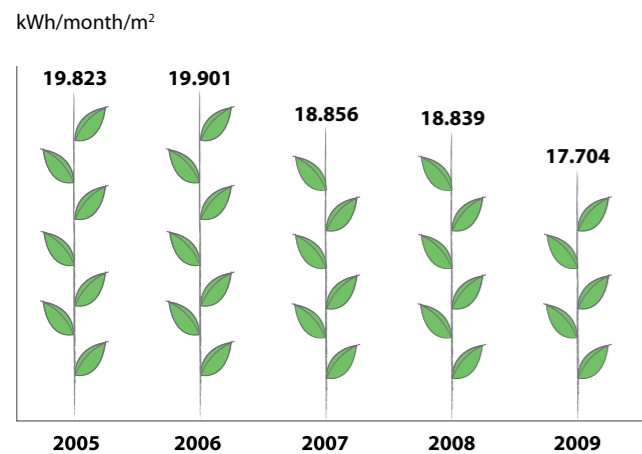
— Mr Shee Tse Koon, Chief Information Officer, Standard Chartered Bank (tenant of Plaza By The Park)

⁽⁵⁾ The Gross Floor Area (GFA) is defined as all covered floor areas of a building, except otherwise exempted and uncovered areas for commercial uses are deemed the GFA of the building for purposes of plot ratio control and development charge. The GFA is the total area of the covered floor space measured between the centre line of party walls, including the thickness of external walls but excluding voids. GFA built per year is the product of percentage of completion (POC) for the year and total GFA. POC is the value of works done for the year divided by the total construction cost.

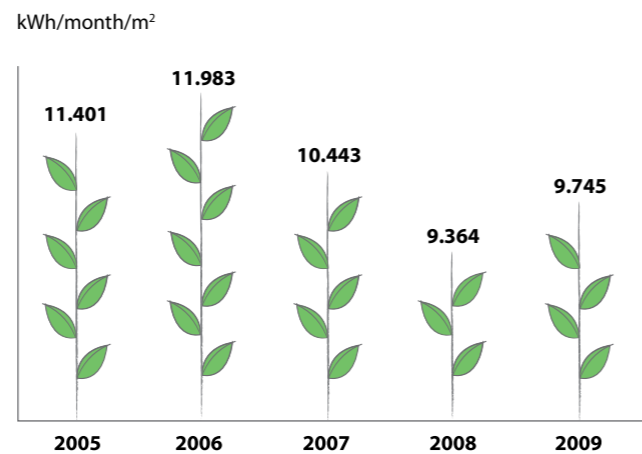
Total Energy Used⁽⁶⁾ at all Commercial and Industrial Buildings



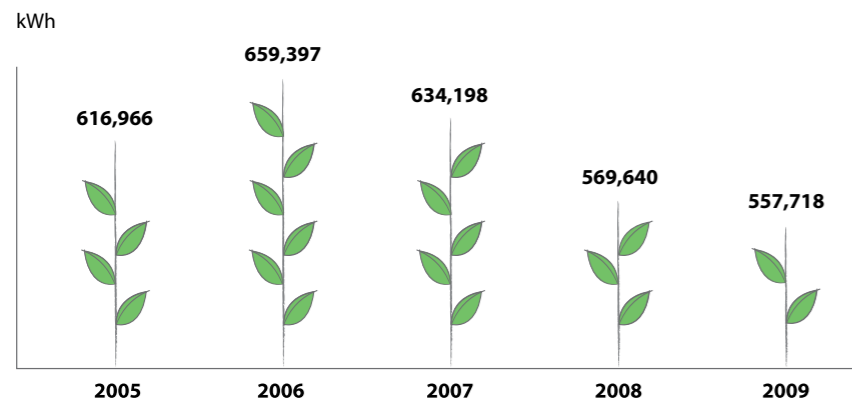
Energy Used at 11 CDL Commercial Buildings



Energy Used at 5 CDL Industrial Buildings



Total Energy Used at the Corporate Office



Water

Like energy, water is a scarce key natural resource in Singapore as we do not have abundant freshwater sources. Recognising this challenge, our new developments are conceptualised with a strong focus on water sustainability right from its design stage and construction process to the building's water efficient features.

CDL's integrated water management at the work sites are based on the principles of reducing, reusing and preventing water pollution from entering into our waterways. In 2009, CDL conserved approximately 211,744 m³ of water at all our work sites as a result of our various water sustainability initiatives.

This includes incorporating water-efficient features used on site as well as in the new developments, such as the water recycling system, sensor taps or self-closing taps, water-efficient fittings, waterless urinals, and automatic flush and dual flush systems for toilets.

To further reduce our water needs, strategies deployed on some work sites include using open rainwater harvesting for water recycling. For instance, 11 Tampines Concourse used zero potable water throughout the construction

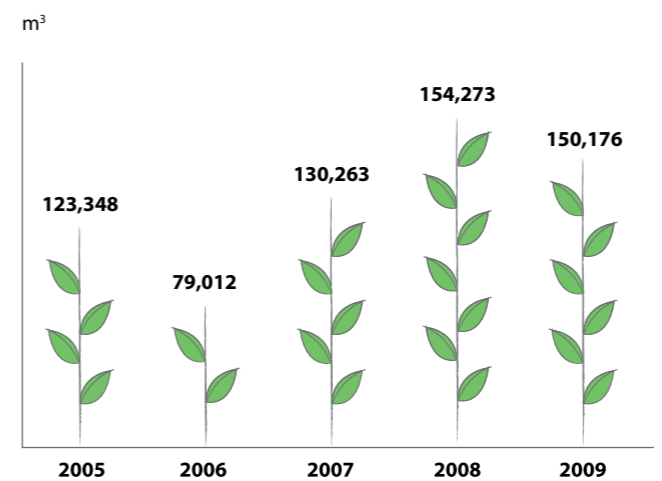
phase of the development. Some projects when completed will also have a rainwater harvesting system for landscape irrigation and water-efficient fittings with NEWater used for flushing of all water cisterns and urinals. This will help to decrease potable water usage.

A variety of Silt and Earth Control Measures are implemented on all work sites. The water discharged into the waterways remains consistently below the legal limit of 50 mg/litre, in the range of between 10 and 15 mg/litre for Total Suspended Solids (TSS).

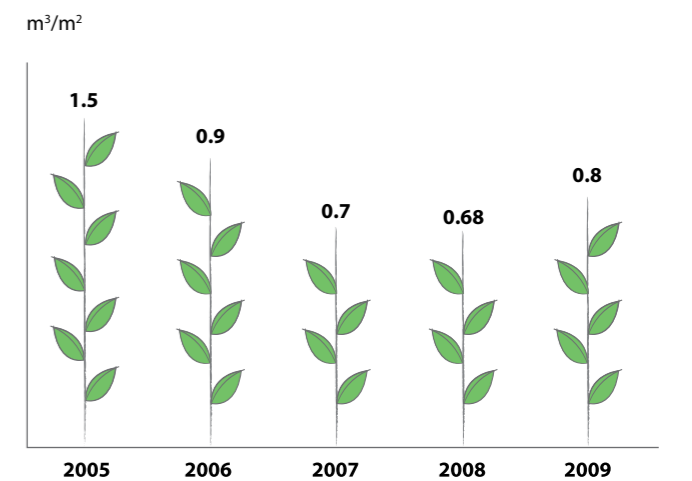
In 2009, total water use has reduced by 6% in our investment buildings. This is achieved by installing more water-saving devices within our properties such as self-closing taps, water-efficient flushing cisterns and placed thimbles to control the flow rate to help save more water. In all our new developments, we will make use of water-efficient fittings approved under the Water Efficiency Labelling Scheme (WELS) by PUB.

CDL also conserved some 101,412 m³ of fresh potable water by using NEWater for operations that do not require potable water in our buildings such as the sprinkler water tank and cooling towers. This practice started in 2007, and we currently have four buildings connected to the NEWater supply.

Total Water Used at Work Sites

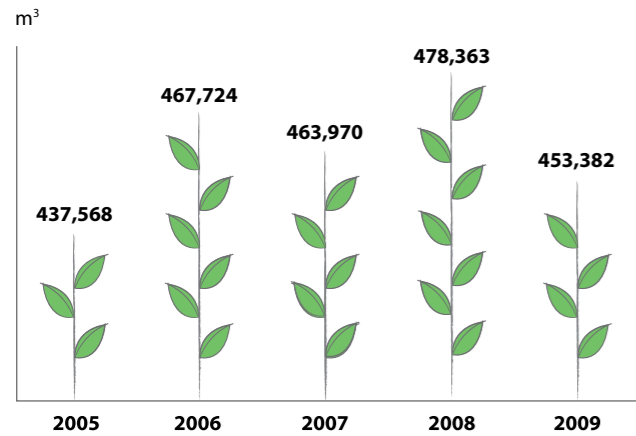


Water Used Per Square Metre of GFA at Work Sites

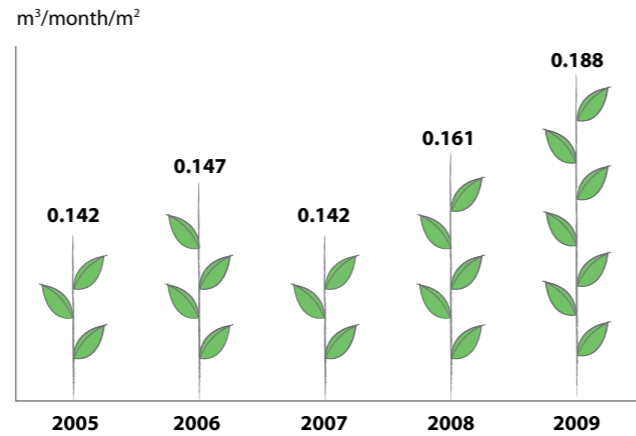


⁽⁶⁾ The energy data for the buildings includes (but is not limited to) the Mechanical and Electrical services provided in the building, e.g., lifts, air-conditioning and ventilation fans (where applicable), pumps and lighting in all common areas of the entire building. Tenants are charged individually for the use of electricity within their office. A total of 19 buildings in 2009.

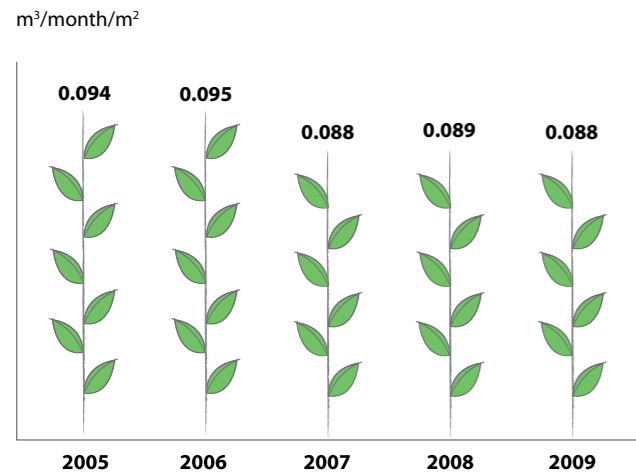
Total Water Used⁽⁷⁾ at all CDL Commercial and Industrial Buildings



Water Used at 11 CDL Commercial Buildings



Water Used at 5 CDL Industrial Buildings



CDL Commercial Buildings	NEWater ⁽⁸⁾ used in 2009 (m³)	2008 (m³)
Republic Plaza	58,779	35,033
Fuji Xerox Towers	18,183	18,091
Plaza By The Park	15,469	23,365
Palais Renaissance	8,981	7,527
Total	101,412	84,016

Paper, Waste & Recycling

Singapore has limited waste disposal facilities. Waste that cannot be recycled but may be incinerated are sent to the incineration plants while all other waste and incinerated ashes are sent to the landfill on the island of Pulau Semakau, off mainland Singapore, to be buried.

CDL adopts sustainable construction and design methodology at our work sites. Efficient construction methods, such as the use of prefabrication and precast

construction technology, are used at the work sites to improve on-site management as well as to reduce environmental impacts and material wastage. CDL has adopted precast designs as an environmentally friendlier alternative and makes use of recycled materials wherever feasible in our developments.

As such, most of the construction building components are precasted or fabricated and tested off-site, then transported to the work site to be assembled systematically. As a result, there is less construction

debris, less heat, noise and pollution generated on-site. For instance, pre-fabricated bathrooms have become a standard green feature in all CDL new developments. We have also started to use Green Concrete at 11 Tampines Concourse. The construction waste generated at all our work sites was 61.7 kg/m² of GFA in 2009.

CDL has established a paper recycling programme for our tenants in all CDL buildings. All new tenants are presented with a Project Eco-Office Kit to promote the 3Rs, namely reuse, reduce and recycle. Recycling corners are also accessible to tenants to promote and cultivate the recycling practice.

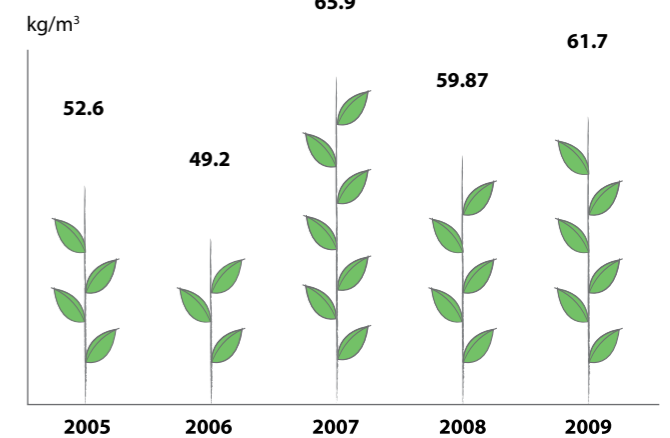
Between 2008 and 2009, paper recycling volume at our buildings decreased. We believe this trend is an indication of more efficient use of paper in the office. As we are unable to access paper purchasing data from our tenants, a good indicator for us to evaluate the effectiveness of this programme is to encourage higher participation amongst our tenants. The participation rate in this programme increased from 68% in 2005 to over 90% in 2009.

At CDL's corporate office, we have exceeded our target of 5% reduction in 2009. Cutting down on the use of paper will help mitigate environmental impact during paper production including less energy and water use, pollution and destruction of old forests and their biodiversity.

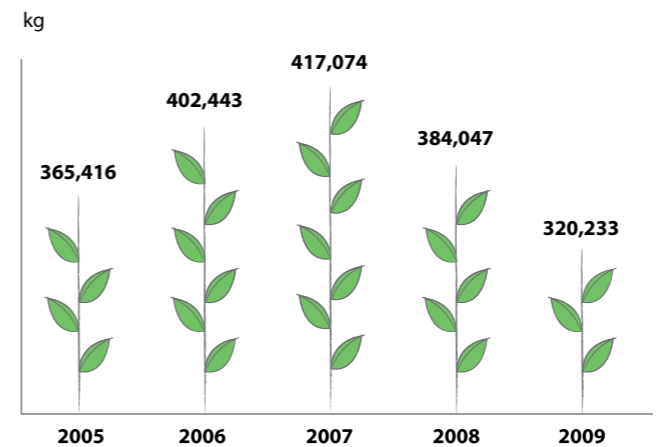
Every department and employee has taken conscious effort to use less paper by utilising e-mail, e-filing and

photocopying/printing on both sides of the paper. Posters are displayed around the office serving as daily reminders for our employees to conserve paper at all times. The reams of paper used are also eco-friendly, with a preference for paper certified by the Forest Stewardship Council. In addition, CDL has set and achieved the target of using eco-friendly paper for MarCom publications. For example, this Sustainability Report is printed on Forest Stewardship Council certified paper.

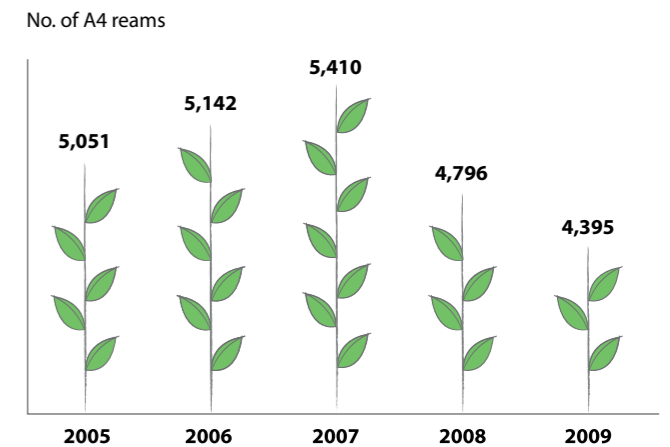
Construction Waste⁽⁹⁾ Generated Per Square Metre of GFA at Work Sites



Total Volume of Paper Recycled⁽¹⁰⁾



Total Volume of Paper Used at the Corporate Office



⁽⁷⁾ The water data includes the total amount of water used in the buildings. A total of 19 buildings for 2009.

⁽⁸⁾ NEWater is treated used water that has undergone stringent purification and treatment process using advanced dual-membrane (microfiltration and reverse osmosis) and ultraviolet technologies.

⁽⁹⁾ Construction waste is generated from construction, renovation and repair and is made up of wood, steel, concrete, gypsum, masonry, plaster, metal and asphalt.

⁽¹⁰⁾ The data presented in this report includes only paper recycled from CDL commercial buildings.

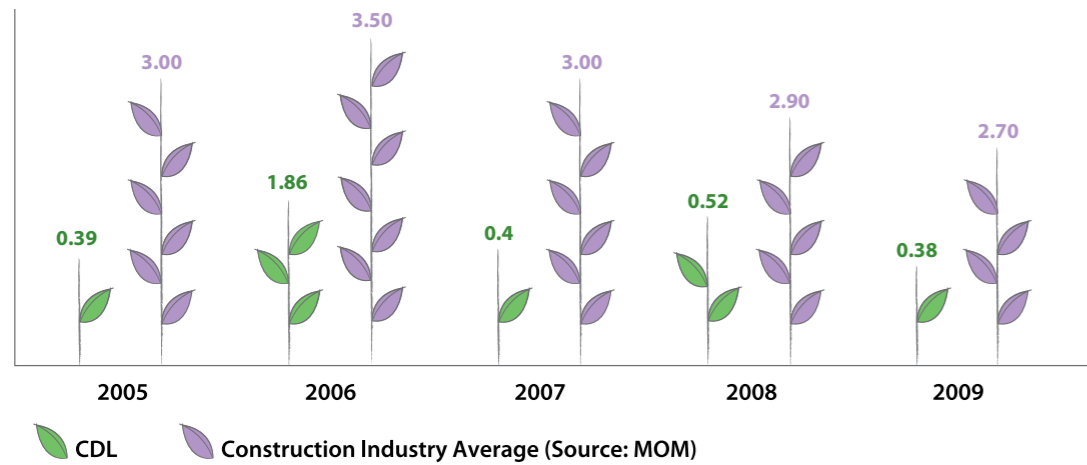
Safety

Over the years, CDL's Accident Frequency Rate (AFR) and Workplace Injury Rate have been consistently below the construction industry average value. By stepping up on safety awareness initiatives at the work sites and adopting good EHS practices among the builders, CDL remains committed to achieving a safe and healthy workplace for everyone and upholding our good safety record.

In early 2010, CDL encouraged its builders and consultants to sign a CEO Pledge for Zero⁽¹³⁾, in declaration of their commitment towards EHS Excellence for the development of our projects. This is in line with WSHC's initiative of signing the Pledge for Zero for workplace safety in 2008 and reaffirms our sustained commitment to work closely with all our builders and consultants to raise EHS standards in Singapore.

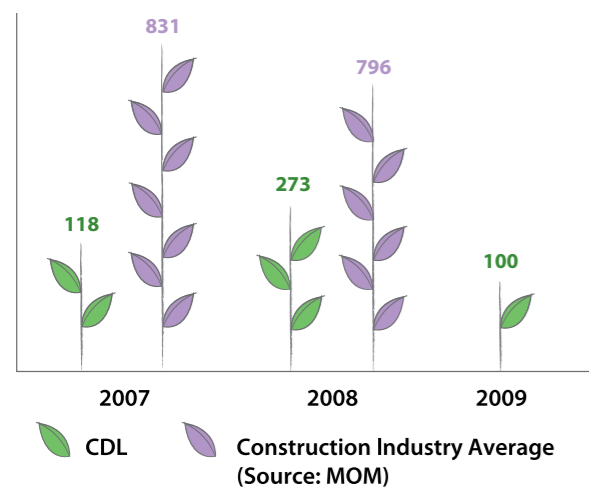
Accident Frequency Rate⁽¹¹⁾ At Work Sites

Number of workplace accidents per million manhours worked

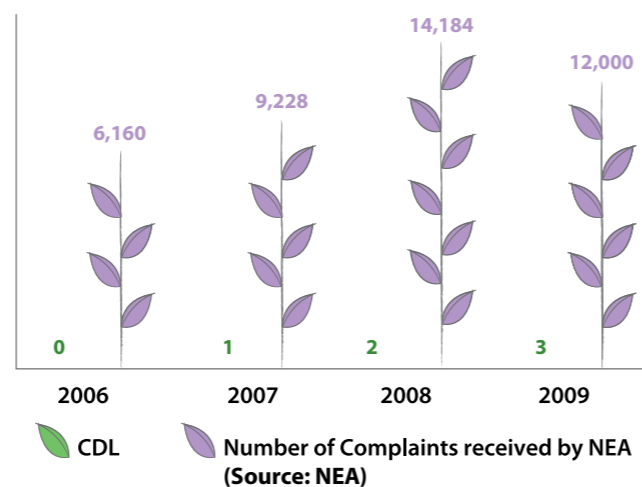


Injury Rate⁽¹²⁾ At Work Sites

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



Number of complaints on construction noise received at work sites



Maintaining Biodiversity

Singapore has adopted the policy to legally protect key indigenous eco-systems within our Nature Reserves. Even though CDL's projects are not located within any protected areas, it is our standard practice to assess all our sites during the planning stage to determine if any existing mature trees can be conserved on-site or transplanted at a later stage to or from another CDL site.

In 2009, we conserved two existing mature trees on-site for completed projects and transplanted 16 mature trees to other CDL sites for projects under construction.

Noise

In Singapore, NEA prescribes 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 any noise impacts.

CDL is committed to comply with the noise limits at all our work sites and ensure our builders take all necessary actions to address the complaints due to construction noise.

In 2009, our work sites received three complaints due to construction noise from residents in the neighbourhood. One complaint was on noise generated from weekend construction work at our work site and the issue was immediately addressed and resolved by our builder with the resident. The second complaint was on noisy activities at the work site at night. Our builder followed up with the resident to assure that action has been taken to continuously monitor and minimise the noise impact even though noise records were analysed and found to be within maximum permissible noise levels for construction work. A third complaint on construction noise at another work site level was also investigated and found to be within the permissible noise levels.



Designed with environmental sustainability in mind, W Singapore Sentosa Cove is the first new hotel in Singapore to be awarded the BCA Green Mark Platinum Award.

⁽¹¹⁾ Accident frequency rate refers to the number of workplace accidents per million manhours worked. Figures used are incident based. For details, please refer to www.mom.gov.sg.

⁽¹²⁾ Injury rate refers to the number of fatal and non-fatal workplace injuries per 100,000 persons employed. Figures used are victim-based. Construction Industry Average figure for 2009 has not been published by MOM. For details, please refer to www.mom.gov.sg.

⁽¹³⁾ "Pledge for Zero – A CEO Commitment Charter" is an initiative by the Workplace Safety and Health Council and the Ministry of Manpower. The Charter will require concrete actions on the part of signatories, who must put in place an appropriate governance structure, resource allocation, communication and safety strategies to achieve a zero injury workplace.

2009 ENVIRONMENTAL PERFORMANCE AND 2010 TARGETS

CDL Corporate Management and Operations

EHS Policy Key Pointers	Objectives	2009 Target	Performance in 2009	Target 2010
"Green" Corporate Culture	To use eco-friendly paper in MarCom publications	To achieve 70% use of eco-friendly paper for MarCom publications	Achieved 92% use of eco-friendly paper	To achieve 70% use of eco-friendly paper for MarCom publications
	To purchase/use eco-friendly office furniture, fittings and equipment	a) To re-use at least 50% of office furniture, fittings and equipment or use sustainable products in all CDL newly-renovated offices b) To purchase eco-friendly office equipment	Achieved 100% re-use of office furniture and fittings for addition and alteration works	a) To reuse at least 50% of office furniture, fittings and equipment or use sustainable products in all CDL newly-renovated offices b) To purchase eco-friendly office equipment
	To promote eco-consciousness and a 'green' culture among staff	To organise eco-related awareness event/campaigns for staff	Achieved	To organise 3 eco-related awareness event/campaigns for staff
Resource Conservation	To reduce the use of paper	To achieve 5% reduction in paper usage for in-house photocopying and printing	Achieved 7.4% reduction in paper consumption	To achieve 5% reduction in paper usage for in-house photocopying and printing
	To reduce the use of electricity	a) To achieve 5% reduction in electricity usage (excluding computer room) b) To monitor power utilisation of computer room	Achieved 10% reduction in electricity consumption	a) To achieve 5% reduction in electricity usage, (excluding computer room) b) To monitor power utilisation of computer room
Pollution Prevention	To dispose waste paper responsibly	To monitor collection of waste paper, segregation of office used paper and other used paper for recycling	The total yearly collection of waste paper is 7,355 kg and the office used paper constitutes about 32% of the total	To monitor collection of waste paper, segregation of office used paper and other used paper for recycling
	To dispose end-of-life computer related products through eco-friendly methods	To monitor collection of end-of-life computer related products for recycling	Achieved	To ensure all end-of-life computer related products are recycled under "HP Planet Partners and Recycling Programme"

Projects Division

Objectives	2009 / 2010 Targets	Performance in 2009
Electricity Consumption	45 kWh/m ² of GFA	Achieved 46 kWh/m ² of GFA
Water Consumption	2 m ³ /m ² of GFA	Achieved 0.8 m ³ /m ² of GFA
Waste Generation	75 kg/m ² of GFA	Achieved 61.7 kg/m ² of GFA

Property & Facilities Management Division

Objectives	2009 / 2010 Targets	Performance in 2009
Average Electricity Consumption of 5 CDL Industrial Buildings	9.9 kWh/month/m ²	Achieved 9.745 kWh/month/m ²
Average Water Consumption of 5 CDL Industrial Buildings	0.09 m ³ /month/m ²	Achieved 0.088 m ³ /month/m ²



In 2009, CDL achieved 92% use of eco-friendly paper across MarCom publications, which include City News, CDL's quarterly newsletter. This achievement far surpasses the target of 70% use of eco-friendly paper, reflecting a firm commitment to a "green" corporate culture across the Company.

In Focus:

11 Tampines Concourse – First CarbonNeutral® Development In Singapore & Asia Pacific

Tampines Concourse is a sterling demonstration of a green development that is designed and built with environmental sustainability and low carbon emissions in mind throughout its construction and operational lifespan.

The establishment of Tampines Concourse as a CarbonNeutral® development represents a natural progression of CDL's commitment towards building greener properties and a forward-looking approach towards long-term sustainability.

Tampines Concourse's carbon emissions have been reduced to "net zero"⁽³⁾ by offsetting some 6,750 tonnes of carbon dioxide equivalent (tCO₂-e) for 2009; the total estimated CO₂-e generated during the construction phase and for the first year of operations. This is accomplished with the purchase of carbon credits which will fund carbon offsetting projects in Asia including one renewable energy project (Guizhou Hydro Power Project in China) and two resource conservation projects (Fujian Landfill Project and Jilin Methane Power Project in China).

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.

Approximately 3.8% of the total construction cost was invested into Tampines Concourse's numerous green innovations. Beyond sustainable design and eco-friendly features for energy and water efficiency, concerted efforts were made to introduce inventive building materials such as "Green Concrete" which comprises of copper slag, recycled concrete aggregates (RCA) and ground granulated blast furnace slag (GGBS). This is one of the first building projects constructed using Green Concrete which contributed to the reduction of carbon dioxide emission.

Moving forward, Tampines Concourse's carbon emissions will be measured and offset on an annual basis, estimated at approximately 1,500 tCO₂-e per year.

"This voluntary initiative reaffirms our commitment to reduce our carbon footprint. For many years now we have been consciously monitoring and taking deliberate efforts to reduce our carbon emissions as part of our Environmental, Health and Safety policy. Carbon offsetting is relatively new in this part of the world and being the first to foray into uncharted territory, we hope to encourage more Singapore corporations to take a stronger stand in tackling climate change. In addition to Tampines Concourse, we have also embarked on neutralising the carbon emissions of our corporate office operations. Going CarbonNeutral is in line with CDL's overall Corporate Social Responsibility (CSR) commitment."

– Mr Kwek Leng Joo, Managing Director, CDL

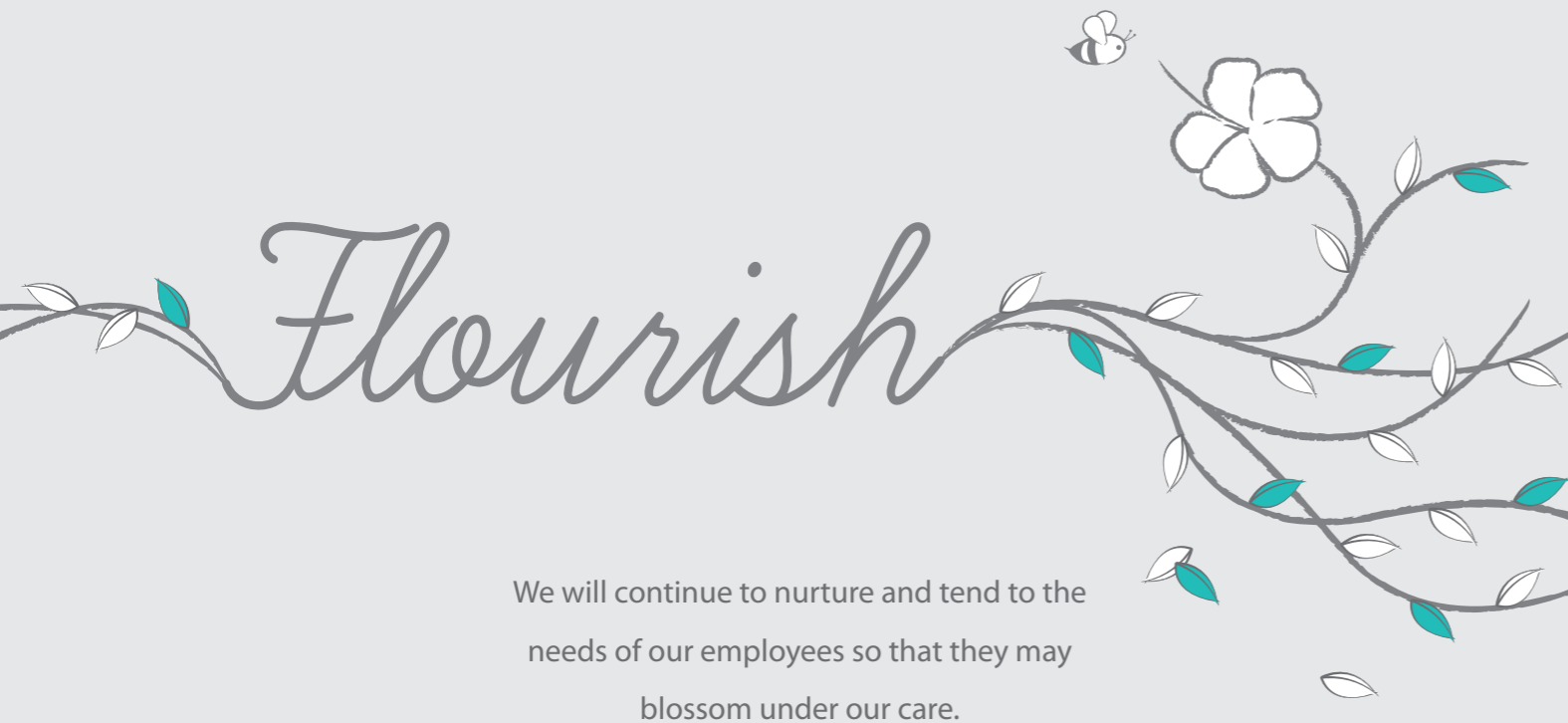
"I am happy that leading developers in Singapore such as CDL are proactively embracing sustainable development practices for their developments. In the past year, they completed five Green Mark Platinum and Gold^{Plus} projects. In these projects, they also pioneered and invested in different eco-friendly innovations to meet BCA's Green Mark standards. For example, the Tampines Grande project, a Platinum Award winner, makes extensive use of solar panels to generate clean energy. A water-recycling filtration system was also used during the construction phase to reduce potable water consumption on-site. These are commendable efforts. I have no doubt that more of the industry's stakeholders will contribute to the sustainable development of Singapore, partnering the Government in our national drive to make Singapore a distinctive and liveable city."

– Mr Mah Bow Tan, Minister for National Development

GREEN FEATURES	BENEFITS
<p>Designed for Energy-Efficiency</p> <ul style="list-style-type: none"> • First building in Asia Pacific to incorporate an innovative, indoor non-compressor fresh air cooling system for smart temperature and humidity control • Extensive facade and roof greening with vertical greening area of 2,504 m² and green roof system of 1,921 m² • Natural daylighting system in common areas allows for maximum daylight penetration at atrium and lift lobbies while specially-designed light shaft and sun pipes are installed in the restrooms 	<p>Estimated overall energy savings of 620,000 kWh per year</p> <ul style="list-style-type: none"> • Estimated energy savings of 42,000 kWh per year based on temperature of the common areas set at 26°C • Mitigates urban heat island effect and solar heat gain • Maximises natural daylighting
<p>Designed for Water-Efficiency</p> <ul style="list-style-type: none"> • Water-efficient fittings are installed in all the restrooms and Nano-coating applied on waterless urinals for deodorisation, sterilisation and ease of maintenance 	<p>Estimated overall water savings of 280 m³ per year</p> <ul style="list-style-type: none"> • Reduces potable water usage and operational costs
<p>Sustainable Construction Methodology Site / Project Development and Management Practices</p> <ul style="list-style-type: none"> • First building in Singapore constructed with extensive use of recycled materials for structural building components. The "Green Concrete" used comprises sustainable materials, namely copper slag, recycled concrete aggregates and ground granulated blast furnace slag • Use of environmentally-friendly materials in place of natural materials 	<ul style="list-style-type: none"> • Reduces carbon dioxide emissions • Promotes conservation of natural resources
<p>Designed for Good Indoor Environmental Quality and Environmental Protection</p> <ul style="list-style-type: none"> • Use of non-chemical anti-termite treatment to prevent subterranean termite attack and low VOC paints for all internal walls and ceilings 	<ul style="list-style-type: none"> • Improves occupational health and comfort of building's users



We believe that a conducive work environment is essential for talents to flourish and grow. CDL has a broad spectrum of welfare benefits and programmes that cater to the changing needs of today's workforce while ensuring our non-discriminatory human resource practices support a diverse and dynamic team.



We will continue to nurture and tend to the needs of our employees so that they may blossom under our care.

Our Employees

OVERVIEW OF CDL'S EMPLOYMENT POLICY AND PRACTICES

CDL values our employees as they are our key pillar of success. We endeavour to cultivate and nurture our talents, and provide them with a safe, fair and conducive workplace. In doing so, we hope to develop and realise their potential as well as bring out the best in them.

At CDL, we want to be the employer of choice for our employees. We have over 300 employees in Singapore and are a signatory of the Employers' Pledge of Fair Employment Practices with The Tripartite Alliance for Fair Employment Practices (TAFEP)⁽¹⁾.

We have put in place a number of systems and processes, and identified Key Performance Indicators (KPIs) to track,

collate and analyse useful information for the development and retention of necessary skills and capabilities. CDL has a wide array of programmes and policies aimed at cultivating and developing the competencies and well-being of our employees. We believe in developing our employees and providing them with the opportunities to grow.

We are committed to promoting and advocating the importance of work-life harmony and workplace health. Our programmes and policies have proven to be successful as shown by some of our achievements in 2009. We attained an annual employee turnover rate of less than 11% and four days or less of medical leave taken per employee per year in 2009. CDL aspires to be the industry leader in the areas of work-life and workplace health initiatives and we have received a number of awards that have affirmed our commitment in valuing our people.



CDL believes in cultivating and nurturing our employees, who are our greatest asset. We are committed to creating a positive workplace where our people can work in an inclusive environment and are rewarded fairly.

⁽¹⁾ The Tripartite Alliance for Fair Employment Practices (TAFEP) was formed in May 2006 to promote non-discriminatory employment practices and to shift mindsets among employers, employees and the general public towards fair employment practices for all workers. Members include employer representatives, union leaders and government officials.

BUILDING A FAIR AND DIVERSE WORKPLACE

CDL stands by our policy on non-discrimination and fairness, and ensures that our people processes, including the recruitment process, adhere to strict guidelines. There is no preference of gender, ethnicity, religion or age in our recruitment processes. In 2008 and 2009, there were no reports of incidences of discrimination by our employees.

We attribute our business success to the support of a dynamic and diverse workforce. We value their contributions and shall continue to capitalise on their competencies and strengths while providing equal opportunities for them to develop and grow.

Gender

We hire based on competencies and the appropriate fit within the Company. We emphasise on merit and performance. At CDL, we have more females than males across the ranks. In 2009, female Heads of Departments represented 57.1% (12 of 21 Heads of Departments) of the workforce in the same cohort.

Age

The Company is represented by a balanced mix of employees with the majority (59.9%) falling between the ages of 31 and 50. CDL leverages on the knowledge

and wisdom of our more experienced employees while capitalising on the drive and enthusiasm of our younger ones who may bring with them an alternative perspective to enhance our business.

CDL continues to value the tacit know-hows and experiences of our senior (by virtue of age) employees and has extended employment to employees who have passed the retirement age of 62 under the Singapore Retirement Age Act. They will be able to continue their employment on a yearly contract basis, if they are performing up to expectations and are certified medically fit. In 2009, 2.5% of our employees are over the age of 62.

At CDL, we continue to offer full remuneration to older employees who are beyond 60 years old even though the Singapore Retirement Age Act gives Singapore employers the discretion to reduce wages by up to 10% when extending employment to those beyond 60.

Education

72% of our employees hold tertiary qualifications and above (this includes holders of diploma, degree and Masters qualifications). Our employees are strategically placed in their roles, given their experiences, competencies and potential.

Employee Relations

Strengthening employee engagement for the development of better employee relations is a priority at CDL. We firmly believe that our employees should have access to various constructive dialogue mechanisms within the Company to voice their concerns and advance their interests. More information can be found on page 59 of this report.

i) Freedom of Association

At CDL, we respect all employees' fundamental rights to freedom of association and the right to be members of trade unions. Although CDL is not a unionised company, we are 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 on their disputes.

As part of our efforts to recognise employees' participation in professional bodies, CDL supports employees' subscription to these professional bodies.

ii) Resolving Grievances

We have a process in place to manage employee grievance, if any, to ensure the matter is heard in a fair and impartial manner. We also have in place an internal Whistle-blowing Policy that deals with the receipt, retention and treatment of complaints regarding the Company's accounting, financial reporting, internal controls and auditing matters, as well as protection of the confidential or anonymous reporting by employees of legitimate concerns regarding these matters.

REWARDING OUR EMPLOYEES

As a leader of the property industry in Singapore, and having won numerous business and community related awards, CDL has a strong employer reputation and track record. We strive to be an employer of choice in Singapore. We firmly believe in attracting, developing and retaining talents by engaging employees as well as offering attractive career, performance and reward opportunities.

Fair Remuneration

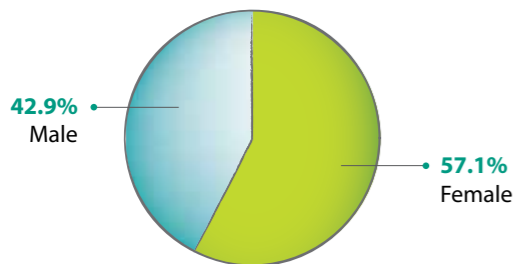
We seek to place the right people with the right skills in the right jobs while ensuring internal parity and market alignment. We offer fair and competitive remuneration packages based on employees' competencies and expected roles and responsibilities within the Company. CDL employees are also eligible for compensation such as overtime claims in accordance with the Employment Act in Singapore. The rate of overtime payment is stipulated in the Employee Handbook.

Talent Management and Engagement

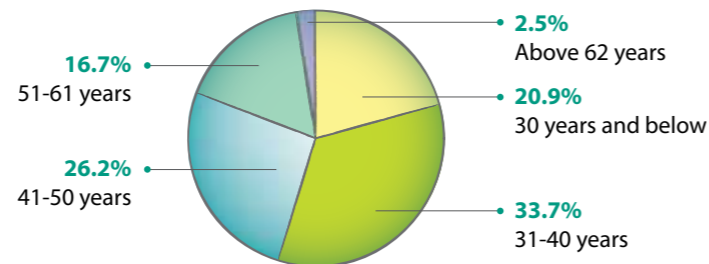
CDL adopts an integrated approach towards talent management and engagement. We have in place a strategy that focuses on attracting and retaining our employees while sustaining their career aspirations.

We are pleased to share that there was no down-sizing in 2009 despite the challenging economic conditions. In addition, the annual employee turnover for 2009 was below 11%, which is lower than the national annual average of 21.3%. The average length of service of each employee increased from 8.1 years in 2008 to 8.4 years in 2009. This is an indication of our employees' commitment and loyalty to the Company. It is further accentuated by

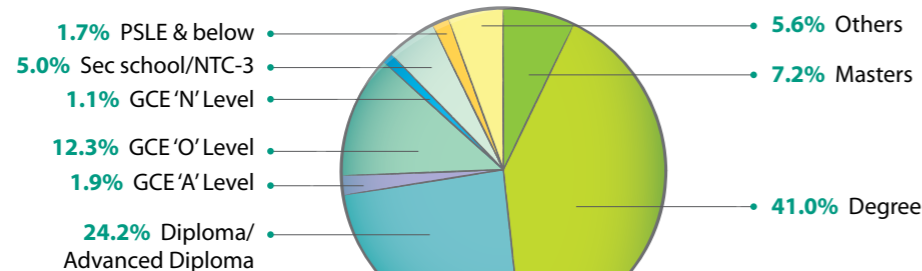
Gender Profile of Heads of Departments



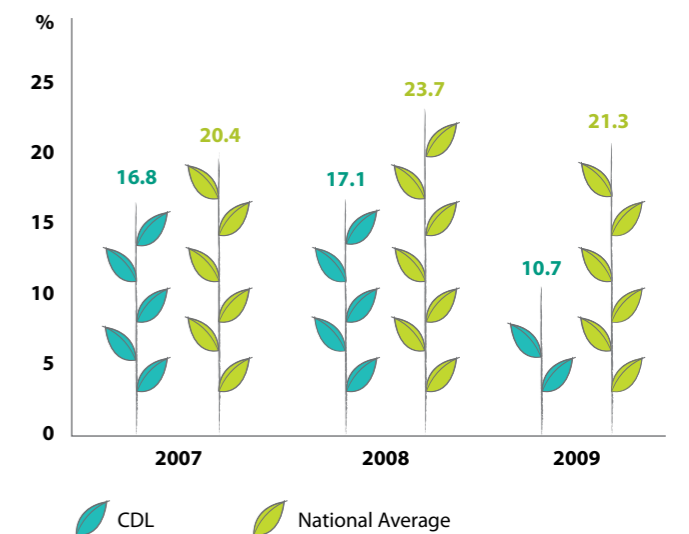
Age Group Profile



Education Profile



Employee Turnover



the fact that more than 50% of our employees have been with the Company for more than five years. As a result, we have a core group of employees who possess good institutional knowledge and a sound understanding of the Company's systems, culture and business.

Training

CDL invests in employee training to develop and nurture the necessary skills and capabilities to ensure business continuity and success. We understand the importance of training and development programmes as they have a significant impact on increasing employee satisfaction and encouraging retention. At CDL, we strengthen our employees' capabilities by equipping them with the appropriate tools and knowledge through various training and development programmes.

As an affirmation of this belief, CDL sponsors full-time training courses and part-time certification programmes which are considered relevant and/or necessary for the employees. We identify the training needs of employees through the annual training needs analysis and have in place a range of development programmes targeting both the technical and specific skill sets that the employees require to fulfil their responsibilities.

In 2009, CDL employees completed an average of more than four training days per employee. In our efforts to be a champion in Corporate Social Responsibility (CSR), more than 3,000 hours had been dedicated to CSR and environmental-related training. This includes participation in Summit on CSR Strategies for Sustainability & Success, Climate Change – Developing a Carbon Reduction

"The company's generosity and willingness to invest in its people have given young graduates like myself a massive head start in our careers. Not only was I given an opportunity to accelerate my progression, I was also blessed with the empowerment to learn and contribute at the same time."

– Ms Qian Xue Jia, Projects Officer, CDL, a beneficiary of the BCA-Construction Industry Scholarship from 2005 to 2007, sponsored by CDL

Strategy for your business, Collaboration for Energy Efficiency in Commercial Buildings – Clean Development Mechanism, ISO 26000 etc. Recognising the importance of the Whistle-blowing Policy, communication sessions are organised for new employees on a regular basis. We are deeply committed to corporate sustainability and will continue with our pursuit of enhancing our knowledge and expertise in this area.

Working in Singapore

There are a number of statutory requirements as per the Singapore Employment Act and common practices applied to employment contracts, wages and benefits that need to be adhered to when hiring employees in Singapore.

Key requirements such as the Singapore Employment Act, CPF Scheme and Retirement and Pro-Baby Legislation are highlighted below.

i) The Employment Act

The Employment Act is the primary statute governing individual employment relations in Singapore. In recognition of employees being our crucial asset, CDL provides our employees with similar or better benefits than required by the Singapore Employment Act, such as extending benefits to managerial, executive or confidential employees, who are not covered under the Act. An example of such benefits is extending paid Public Holidays and paid sick leave to all employees from the day the employee joins. Other benefits include the provision of Term Life and Personal Accident insurance coverage for employees.

ii) CPF Scheme and Retirement

The Central Provident Fund (CPF) is a comprehensive social security savings plan which aims to provide working Singaporeans with a sense of security and confidence in their old age. CDL assists employees to make monthly contributions which are deductible from their monthly gross salaries into their CPF accounts as required by law. CPF contribution is a percentage of the monthly salary and varies according to the employee's age. These savings earn a minimum risk-free interest of 2.5% guaranteed by the Government while a portion of the savings will earn a guaranteed minimum of 4% interest.

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

- a) Retirement
 - Plan to ensure sufficient savings to see CPF members through retirement
- b) Healthcare
 - Plan to ensure sufficient savings to meet members' medical needs in old age
- c) Home Ownership
 - Plan to ensure a property that is fully paid-up when members retire
- d) Family Protection
 - Several schemes and insurance plans such as Dependents' Protection Scheme, Home Protection Scheme, catastrophic medical insurance scheme and even severe disability insurance scheme to protect CPF members and their families.
- e) Asset Enhancement
 - CPF members have the choice to decide for themselves how to invest their CPF savings, and what risks to accept, to ensure their financial well-being after retirement.

iii) Pro-Baby Legislation

In support of the Government's initiatives towards encouraging higher birth rate in Singapore, CDL has adopted measures in line with the Government's pro-baby legislations, which were passed and made effective from 31 October 2008. The revisions were made to enhance pro-baby benefits such as extended maternity leave, childcare and infant care leave.

As per the legislation, paid maternity leave stands at 16 weeks for mothers with Singapore Citizen births. Employees with Singapore Citizen children will be entitled to six days of paid childcare leave per year if they have at least one child under the age of seven years. Employees with Singapore Citizen children may apply for up to six days of unpaid infant care leave per year to care for their child of two years or below of age⁽²⁾.

TALENT ATTRACTION AND RETENTION

CDL has been fortunate to recruit and retain a workforce of diverse backgrounds and experiences. While striving to remain as an attractive employer and attain business

objectives, we are mindful of the needs of different individuals.

We have implemented flexi-work arrangements to support and accommodate individuals' different life stages and needs. Our employees may choose their working hours within management-set limits and switch to permanent part-time work arrangements, if they have exceptional family commitments. In 2009, we continued to see more than 30% of our workforce opting for flexi start-and-end work hours arrangement. We also have employees switching from permanent full-time to part-time (both short and long term) work arrangements.

In response to the growing trend of operating flexi workforces, we have employees employed on temporary/term-contract basis. In accordance with our policy on non-discrimination and fairness, we ensure that appropriate employment terms and conditions are adhered to in accordance with local labour law.

Dynamic Pro-Employee Programmes

CDL firmly believes that satisfied, motivated and committed employees are vital to our success. Hence, we undertake a multi-pronged approach to create an engaging and conducive working environment for our employees: i) Work-life Harmony and Pro-Family Culture, ii) Workplace Health and iii) Employee Engagement.

"As a first-time mother and returning from maternity leave, the lactation room, known as the Mummy's Room, allows me to express milk and store it in the fridge conveniently. Being a working mother at CDL, this is only just one of the many welfare benefits extended to us."

– Ms Angelene Tan,
Assistant Administrative Executive, CDL

⁽²⁾ The benefits are subject to eligibility.



As part of the Workplace Health Programme "Your Health, Your Wealth" in 2009, the Workplace Health Committee organised extensive exercise options to cater to all fitness levels including scheduled walks, jogs, Muay Thai and yoga.

i) Work-Life Harmony and Pro-Family Culture

CDL is committed to providing appropriate Work-Life initiatives to help our employees harmonise their personal and professional commitments.

We have implemented various Work-Life benefits and programmes to facilitate our employees in managing their work responsibilities alongside personal and family needs.

CDL continues to uphold the principles and values of the Work-Life Excellence Award that it received in 2008 from the Tripartite Committee on Work-Life Strategy for implementing and sustaining effective Work-Life strategies.

More information can be found on pages 60 and 61 of this report.

ii) Workplace Health

CDL stresses on the importance of health and fitness and organises a series of health-related programmes throughout the year. These activities are planned and implemented by our dedicated Work-Life Committee, made up of employee representatives across all departments.

We carried out the "Your Health, Your Wealth" programme in 2009 and organised a number of activities such as lunch-time workout, evening walk/jog and the CDL Health Challenge to inculcate in our employees the importance of healthy living, in both body and mind, and to encourage them to keep fit by adopting some form of fitness exercises. We have also endorsed health campaigns

such as "Do It Right" and "Little Matters Campaign – Let's Walk" to share useful health information and tips with our employees.

In addition, we continue with our practice of organising corporate tie-up activities to promulgate the importance of health and fitness. Such activities include enabling our employees and their family members to enjoy attractive corporate membership rates with a fitness centre. To promote total wellness, employees also receive free annual basic health screening during working hours while their family members are encouraged to participate in the health screening programme at a discounted price.

We keep up with our efforts to promote health, fitness and wellness amongst employees since receiving the Platinum Singapore H.E.A.L.T.H. (Helping Employees Achieve Life-Time Health) Award in 2008 (the bi-annual award at its highest award tier). An endorsement of our efforts, we were the only Singapore company awarded as a winner for our Workplace Health Project in the Best Workplace Practices category at the Asian CSR Awards 2009, among the 211 entries received from 132 companies from 14 countries across Asia.

At the corporate office, we have zero occupational diseases in 2009. There have also been no lost days due to work-related fatalities. The average medical leave taken per employee per year remains at four days or less.

iii) Employee Engagement

CDL strives to foster a positive workplace culture based on reciprocity and trust. A number of employee engagement

channels have been established to encourage open communication and bonding, starting from the first day an employee joins CDL. We have the New Hires' Orientation programme to facilitate new employees' entry into the organisation by familiarising them with CDL's corporate culture and ethics. The programme also includes acquainting employees with our "Green" culture and generating awareness for ISO 14001. In addition, new employees will have the opportunity to participate in dialogue sessions with our Managing Director and senior management team.

Other internal platforms focusing on encouraging feedback and open communication include "VoiceBox", a dedicated suggestion forum which allows employees to share feedback and suggestions through either an internal e-mail system or on-line suggestion system. "CDL Insight", a series of monthly forums was organised to enhance communication and understanding as well as exchanging of ideas amongst departments. In addition, briefings or communication sessions are conducted to update our employees on changes in HR policies and address queries or doubts. Our intranet portal, CDLNet, which houses information such as the terms and conditions of employment, benefits, HR policies and practices. Code of Business and Ethical Conduct is also available to all employees.

We have been conducting the annual Employee Survey since 2008, with the objective of soliciting employees' feedback in areas such as Leadership, Corporate Social Responsibility and people matters including Training &

Development and Work-Life harmony. This annual survey is an important instrument for CDL to improve our employee relations, our workplace and business performance. We are happy to report that we have achieved an average satisfactory rate above and beyond our target of 90% for all the survey categories. More information can be found on page 60 of this report.

In order to foster interaction and build camaraderie amongst employees, CDL organised several social and volunteering activities through employee-managed committees such as Work-Life Committee, C-Base Committee, StaffConnect (SC) and City Sunshine Club (CSC). Work-Life Committee focuses on organising workplace health related activities while the C-Base Committee promotes interaction and engagement among employees by organising activities at the employee lounge. SC, a task force comprised of representatives from various departments, plans and coordinates activities such as Annual Staff Day to reinforce employees' team spirit and bonding. CSC, CDL's employee volunteer club, promotes the spirit of voluntarism by organising community work with beneficiaries such as Assisi Hospice, Man Fut Tong Nursing Home and Children's Aid Society.

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



CDL employees enthusiastically took part in games and sports including darts, golf, athletics and emerged the victorious champion for three years running at the Hong Leong Olympics.

In Focus: Responding to Our Employees' Work-Life Needs

CDL prides itself as being a strong advocate of Work-Life harmony and practices. We have pledged our commitment to maximise the potential of our staff and care for their personal well-being. In this regard, we strive to create a conducive work environment that integrates both employees' professional and personal / family needs.

As a pro-family company, CDL has continued to be supportive of National Family Celebrations, an initiative championed by the National Family Council (NFC) since 2007. We support programmes and events spearheaded by the NFC that look into inculcating the importance of family bonding. In 2009, NFC implemented a series of activities under the theme of "Parenting".

At CDL, we genuinely care for our employees and believe in gathering "voices" from the ground to analyse and understand their underlying needs. We use mechanisms such as the annual Employee Climate Survey and Health Survey to obtain feedback and identify areas that can be enhanced to help our employees nurture their capabilities and realise their potential.



CDL's employees took the chance to take their families out for a wonderful morning out together on the Treetop Walk to enjoy and appreciate the beauty of nature.

"Thanks to our company for implementing "part-time work for female employee" as it has benefited all female employees who wish to continue working.

"Nobody is available to take care of my son who just started Primary 1 in the morning session and with this benefit, I'm able to work half day in the morning and fetch my son after school. Now I'm able to cook for my family, coach him in his school work and spend quality time with my son."

– Ms Jodie Ho, Senior Accounts Assistant, CDL



In 2009, CDL organised "Little Ones @ Work", a 1-day programme where our employees could bring their children to the office to learn more about what their parents do.

"The last school holiday was a memorable one for my 8 year-old son, Zen and I, as that was our first time going to work together. My son is always full of curiosity about my work place and what I do at work. So bringing him here has given him a flavour of the work life I engage in. Now my son is more receptive when I have to work late from time to time and can relate better when I share with him my day in the office. I am very thankful to our Worklife Committee for making this possible."

– Ms Shirley Sim, Senior Administrative Executive, CDL

Our findings from the Employee Climate Survey conducted for the year 2008 showed that 94.2% of our employees rated "Strongly Agreed", "Agreed" and "Agreed to a Large Extent" in the areas of Work-Life Harmony, which achieved the lowest rating among all areas surveyed. Similarly, according to the Health Survey in the same year, 27.5% of our employees attributed "Tension between work and family" to be one of the main sources of stress. The results from both surveys reinforced the importance for the need of effective Work-Life programmes at the workplace.

Hence, as a result of these surveys, which highlighted the need to further enhance Work-Life Harmony and to show continual support for NFC, we designated June 2009 as "CDL Family Month" and implemented the "Connecting with my Family" initiative. We held a series of family-life activities such as "Eat with your Family" day, family themed talks and family outings. For the first time, we also organised "Little Ones @ Work" which is a 1-day

programme specially tailored to provide an opportunity for our employees to bring their children to the office for a better appreciation and understanding of their workplace.

Using "CDL Family Month" as a platform, we aim to strengthen the message of the importance of parenting and connecting with families. We value our employees and endeavour to provide them with a workplace that they consider a "second home". We listen intently to their needs and are committed to providing a good Work-Life culture that helps them harmonise both their work and personal commitment and eventually, achieve total wellness.



While our community activities remain focused in the four areas of the environment, youth development, the disadvantaged and the arts, we vigilantly monitor the changing needs of our community and have responded by expanding our assistance beyond the usual realms when the cries for help beckon.



Beyond philanthropy, we will continue to work closely with our community partners and take a hands-on approach towards providing aid while nurturing our beneficiaries to make greater and more meaningful contributions to society.

Our Community

GIVING BACK TO THE COMMUNITY

CDL's CSR philosophy extends beyond philanthropy and stems from a long tradition of reaching out to the community. We remain strategic in our community contributions; concentrating on the four key areas of the environment, youth development, the less fortunate and the arts.

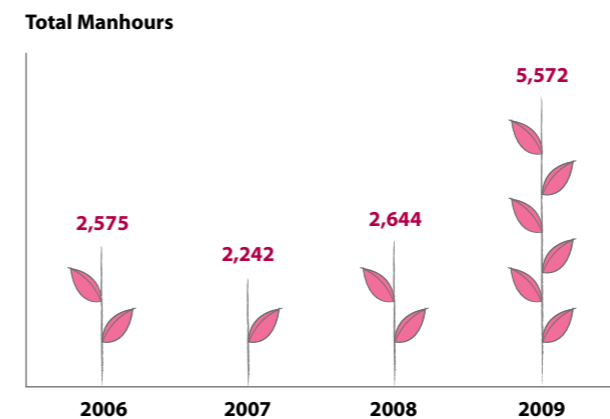
Other than sustaining and strengthening programmes with established partners and beneficiaries through active engagement, we also identified new community partners whom we could support. This new engagement enabled us to extend aid and resources to those who were really affected during the financial downturn. The economic crisis also hit our neighbouring countries hard and we received calls for help, requesting for assistance in various economic and social development projects here and abroad. Responding to this community need, CDL extended resources to new projects in Indonesia, Cambodia as well as Singapore, helmed by our dynamic local youth.

10 Years of Employee Voluntarism

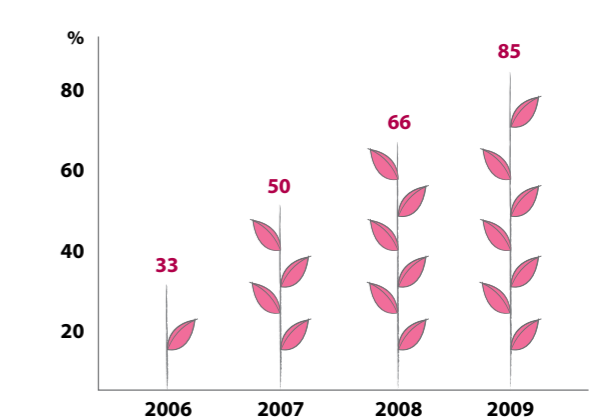
2009 was also a milestone year as CDL's employee volunteer platform, City Sunshine Club (CSC), celebrated its 10th anniversary with a plethora of community activities. This has resulted in a record-breaking doubling of employee volunteer manhours to 5,572 manhours in 2009, a far cry from the 200 volunteer hours chalked up in the early days of CSC. CDL's participation rate was also at an all-time high of 85%, a marked increase from about 25% in 1999. More information about the activities that led to this significant increase, including CDL's Community and Staff Day can be found on pages 72 and 73.

Since 2008, CSC has been gathering feedback on its community outreach programmes for the elderly. This feedback is used to identify areas where improvements can be made. There are also plans to extend such surveys to other beneficiaries and programmes in the near future, to better assess the impact of its other community related initiatives.

Employee Volunteer Manhours



Employee Volunteer Participation Rate



"Over the years, I've witnessed how volunteerism and community engagement have moulded the CDL workforce culture into one which holds in high regard the critical values of selflessness, care and generosity, teamwork and friendship. These attributes make up the foundation of our corporate giving and I am humbled by the steadfast dedication of our generous and big-hearted staff."

– Mr Kwek Leng Joo, Managing Director, CDL

Action for the Environment

CDL's community efforts for the environment have grown from strength to strength and we have been actively engaged in the development and collaboration of extensive green programmes targeted at different stakeholders.

Project Eco-Office, an outreach programme initiated and launched by CDL in June 2002, promotes green resource management amongst the business community in the work place. In 2005, the Green Office Label was launched to recognise companies which have implemented successful green initiatives in the office. The programme has seen more offices being certified annually with an encouraging 39 in 2009 – a significant increase from 15 in 2008. The companies awarded in 2009 stem from both private and public sectors, including DBS Bank, Republic Polytechnic, ComfortDelGro Corporation Limited and Ministry of Manpower amongst others. CDL, a pioneer awardee, also received our recertification.

City Square Mall, Singapore's first eco-mall opened its doors in late 2009. It aims to reach out to our tenants and community-at-large to raise their level of eco-consciousness through innovative eco-programmes and initiatives. As an affirmation of our commitment to organise and host green community events, the mall signed on as the first corporate partner of the Central Singapore Community Development Council's Partnership to Activate the Community to Treasure the environment or P.A.C.T.. Green events held in 2009 include Central Singapore's CGS 2010 Carnival and a Green Building Exhibition by BCA which even showcased a model "green" home of the future.

CDL doubled our efforts in the global Earth Hour campaign, organised by the World Wildlife Fund, with the inclusion of 11 CDL commercial properties



In 2010, City Square Mall was a venue for ECO Singapore's Earth Hour @ The Heartlands initiative which aims to reinforce the green message to the community.

compared to five buildings the year before. Under our influence, a 99% tenant participation rate was achieved. All façade building lights and main lights in the common areas were turned off on Saturday, 28 March 2009 from 8.30 pm to 9.30 pm as a gesture to combat global warming.

CDL also supported Environmental Challenge Organisation (ECO) Singapore's Earth Hour @ The Heartlands initiative which spurred the community to turn off their lights at home and participate in a variety of eco-activities at various venues. Our participation in 2010 expanded to include City Square Mall as a venue where activities included entertainment and movie screening. ECO Singapore volunteers also took to the streets and visited some 5,000 households within a 700-metre radius around the Mall to provide eco-tips to the community and to reinforce the message to "Make every hour an Earth Hour".

Backing green efforts by tertiary institutions, CDL sponsored the National University of Singapore (NUS) Green Carnival in September 2009, which brought the urgent message of environmental conservation to over 30,000 NUS undergraduates, staff and academics, through student-initiated environmental projects that promote energy conservation, recycling and the uptake of other green habits.

In June 2009, CDL also sponsored the inaugural Singapore International Water Festival, jointly organised by Singapore Polytechnic and Public Utilities Board. The Festival, which was held at Marina Barrage and attended by international and local students and the general public, aimed to educate and create awareness on the importance of conserving, enjoying and valuing water and the environment.

Participation in the National Environment Agency (NEA)'s Clean and Green Singapore (CGS) programme remained a key feature in CDL's environmental outreach efforts. Having been part of the Corporate and School Partnership (CASP) programme which encourages corporate companies to groom young

"We are pleased that apart from just building the hardware of the community, CDL has taken the effort to lead the charge of building Singapore's eco heartware to reduce the potential environmental impact by their sector. We find it encouraging as well that the efforts in such area are always ground driven, where vested time is taken to understand the community and their various partners prior to implementing long term strategies in tackling these issues."

– Mr Wilson Ang, Founder / President, Environmental Challenge Organisation (Singapore)



From right to left: Mr Lim Tow Fok, General Manager, Properties & Facilities Management at CDL, receiving the Green Office Label from Dr Amy Khor, Senior Parliamentary Secretary, as Mr Howard Shaw, Executive Director of SEC looks on.



Guest-of-Honour Dr Amy Khor (fifth from left) with Ms Esther An, Head of CSR and Deputy General Manager of Corporate Affairs at CDL (fourth from left), teachers and students of Catholic High School (Pri).

environmental leaders from schools to initiate joint environmental programmes since 2005, CDL received a certificate of Sustained Partnership in 2009.

CDL's six adopted schools did well in presenting a wide range of impressive environmental projects including "Project Green Wall" (Catholic High School – Secondary), "Stamps Alive!" (Maris Stella High School - Primary & Secondary), "WebQuest Project on Environment" (CHIJ St. Nicholas Girls' School – Primary) and "Going Green by Reducing, Reusing and Recycling" (CHIJ St. Nicholas Girls' School – Secondary). In particular, Catholic High School (Primary)'s Rainwater Harvesting Project stood out and was awarded second place for Best Project in the Primary category.

CDL supported the NEA-Mediacorp Semakau Run 2009 where in addition to a donation, employees also gamely ran the route on Singapore's only landfill. The event raised a total of S\$359,000 which was distributed to six beneficiaries.

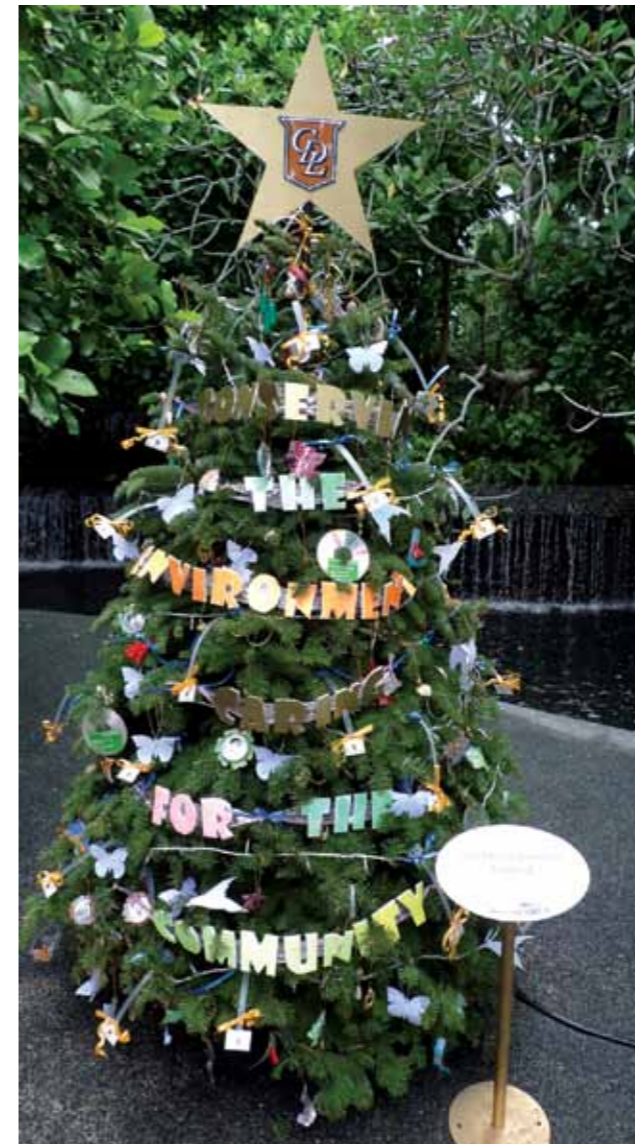
To commemorate the 150th Anniversary of the Singapore Botanic Gardens, 150 trees were specially decorated and lit up, illuminating Palm Valley. The "Trees of the World" Light-up was designed to involve embassies, corporations, schools and community groups in the celebration of one of Singapore's best loved public spaces.

"At Catholic High School, it is a priority to inculcate in our students the right attitude towards environmental conservation. Our participation in the NEA's CASP programme allows the students to be creative and explore different ways they can contribute to combating global warming. We are glad to have the support of our corporate partner, CDL, since 2005. Their commitment towards the environment is an encouragement to the teachers and students. We certainly look forward to more synergistic collaborations in the future."

*– Mr Lee Hak Boon,
Principal of Catholic High School (Primary)*

As a long-standing partner of the National Parks Board, CDL was amongst the corporations invited to decorate a tree for the exhibition. In line with CDL's commitment towards environmental conservation, all ornaments hung on CDL's tree were painstakingly constructed out of discarded materials by a group of creative employees.

For over a decade, CDL has remained a corporate patron of the China Exploration & Research Society (CERS),



As part of the 150th Anniversary celebrations of the Singapore Botanic Gardens, CDL participated in the "Trees of the World" Light-up where our employees creatively decorated a tree using discarded materials only.

supporting their nature and cultural conservation projects. Promoting the protection and conservation of nature, CDL has also maintained our sponsorship of Nature Society (Singapore)'s "Nature Watch" magazine.

In the 13th instalment of CDL's Nature Series Calendar titled "In Harmony...Naturally – Create, Conserve, Construct", CDL's latest BCA Green Mark awarded developments were showcased. The Calendar, which is distributed to our business associates and employees, imparts CDL's philosophy of conserving natural wonders while creating construction marvels.

In celebration of Earth Day 2010, CDL initiated the CDL E-Generation Challenge, an eco-themed "Amazing Race"



CDL's Nature Series Calendar 2010 pays tribute to our BCA Green Mark Award developments, each one captured through the eyes of CDL Managing Director Mr Kwek Leng Joo.

style national competition targeted at youths. By utilising an eco-tainment platform in the form of a fun green rally, the competition aimed at helping to raise the level of eco-consciousness amongst the youths in Singapore. Over 260 youths from all over Singapore came together to pit their strength and overcome green challenges that were not only fun, but also showcased a range of environment-related issues, which included resource conservation, climate change and action.

Nurturing Youth Talent

In 2009, CDL also expanded our focus to include social and economic development projects in Singapore and abroad spearheaded by our local youths.

We supported two worthy projects proposed by students from the Singapore Management University (SMU). Project Aphireak, organised by 17 students from Apsara Cambodia, a SMU student association with the support of National Youth Council's Youth Expedition Project (YEP), aimed to empower the community in Kongleng Phe Village in the Province of Kampong Chhnang, by providing an alternative source of income to the villagers via eco-tourism. Working with a local NGO, the students assisted in the construction of a homestay facility for tourists and helped co-train the community in the planning, running, and management of the facility. The impact of this economic development project in Cambodia is estimated to directly and indirectly benefit 110 families from three adjacent villages.

In Project Lyssna, seven SMU students conducted a food collection drive in the Joo Chiat district, for needy residents identified by Covenant Family Services Centre. In addition to sponsoring the logistical expenses of the project, CDL also extended S\$50 worth of supermarket vouchers to each needy family. Project Lyssna collected a total of S\$2,210 worth of food, and distributed them to 35 families.



The SMU students from Project Aphireak helped in the construction of a homestay facility (seen in the background) in Kongleng Phe Village, Cambodia

As part of Catholic Junior College's Community Involvement Programme, some 50 students were engaged in refurbishment works at the Darul Fallah Orphanage in Batam, Indonesia. Over four days, these students rolled up their sleeves to repaint the classrooms and dormitories, provided new furniture, as well as prepared and distributed much-needed stationery items and notebooks to the 585 children there. CDL supported this meaningful student-run project, which helped to improve the living and learning conditions for the children at the orphanage.

"With CDL's assistance and guidance, Project Aphireak (Cambodia) managed to accomplish its initial objectives. As a result, our Cambodian hosts have found new motivation to become more creative and involved in entrepreneurship to improve their way of life. We look forward to working with CDL in future phases of Project Aphireak and thank you very much for your support!"

— Mr Kenny Teo, Project Aphireak Team Leader, SMU



(top) Some 40 CDL employees, together with their families took part in the Special Olympics Challenge, playing buddy to 36 Special Olympians in completing the 60-storey relay race to the top of the building.

(bottom) Students from Catholic Junior College helped to refurbish the orphanage Darul Fallah in Batam, Indonesia, with new furniture and coat of paint in addition to gifts of stationery to almost 600 children.

In Singapore, in our sustained efforts to assist underprivileged children from Dreams @ Kolam Ayer, CSC partnered student teachers from National Institute of Education (NIE) in a motivational two-day Camp Cheer with the aim of inculcating positive values, increasing their self-esteem and helping these children realise their self-worth and potential.

CDL renewed our support for the NTU National Vertical Marathon organised by students from the Nanyang Technological University (NTU) Sports Club. Held at CDL's flagship building Republic Plaza for the third consecutive year, the event attracted a record 1,638 participants. In addition to providing the venue, CDL also sponsored the CDL Corporate Challenge category to encourage our office tenants, partners and business associates to adopt a healthy lifestyle by participating in the vertical marathon.

CDL also continued to sustain, since 2000, our contribution of bursaries to needy students from Singapore Polytechnic.

Extending a Hand to the Needy

In spite of the recovering economy towards the second half of 2009, many in Singapore are still very much affected by the downturn. Extraordinary natural disasters also called for extraordinary measures of support which CDL readily answered to.

In support of our long-time corporate partner, Assisi Hospice, a charity organisation that provides palliative care to adults and children suffering from cancer and other life-limiting illnesses, CDL, together with our sister hotels in Singapore, took up a 37-metre long pavilion offering delectable delicacies and hotel specialties for the young and old at the Assisi Hospice Charity Fun Day.

The event raised over S\$800,000, well over the target of S\$500,000. Responding to feedback from Assisi Hospice which needed more manpower for other booths as well as additional logistical support for the event, CDL volunteers stepped up to extend the needed assistance.

CDL was a Gold Sponsor at the inaugural Asia Humanitarian Forum, a public educational platform to promote both humanitarian and environmental causes to the community. We also co-presented a photography exhibition by Ernest Goh titled "Altered Land", a chronicle of black and white photographs of the destruction wrecked by the tsunami at Banda Aceh in 2004, and the reconstruction and rebuilding efforts which followed.

CDL also lent our support to local peace-building social enterprise Café Diplo in organising "Haiti Haiti", a charity concert at City Square Mall aimed at raising funds towards humanitarian relief efforts in earthquake-stricken Haiti. Launching a donation drive amongst staff soon after the disaster, which was matched dollar for dollar by the Company, CDL raised a total of S\$30,000 in just three days for World Vision's Haiti Earthquake Relief Fund.



CDL volunteers at Assisi Hospice Charity Fun Day in 1999 (top) and 2009 (bottom). Ten years on, CDL's support for Assisi Hospice is stronger than ever as CDL volunteers' enthusiasm and fervour remain unabated.

"Most organisations have a CSR Policy in place. Only a few have the heart, motivation and fervent spirit to roll out their CSR with constant gusto. We are grateful that CDL is one such organisation making a major difference in the lives of the needy in Singapore. They have been our faithful partner as co-organiser of the Assisi Hospice Charity Fun Day since 1999 as well as a number of wonderful projects bringing cheer and happy memories to our patients and their families."

– Ms Geraldine Lee, Manager Public Affairs, Assisi Hospice

This was followed by "Haiti Haiti 2" at Chinatown Point, with all donations going towards providing relief supplies to victims of the Haiti Earthquake that struck on 12 January 2010.

Befriending the elderly since 1999, CDL volunteers continue to spend time every month with the needy elderly who live in one-bedroom public housing apartments. Besides offering them the basic necessities, our volunteers also extend their friendship and care. The volunteers also organise festive outings and fun activities and even visit them when they are in the hospital so as to bring cheer to these lonely elderly.

Promoting the Arts

CDL first initiated the CDL Singapore Sculpture Award in 2002 to nurture artistic talents and to cultivate a greater appreciation for the sculptural art form in Singapore. Held biennially, the Award also aims to enrich Singapore's sculptural landscape, through the commissioning and installation of the winning sculpture for display. The 4th CDL Singapore Sculpture Award and Exhibition was held in 2009, with a site provided at the redeveloped Bishan Park by the National Parks Board for the display of the winning sculpture.

The winning works and selected entries from the competition were showcased at the Singapore Art Museum in July 2009. Sculptor Yeo Chee Kiong, winner of The 2nd CDL Singapore Sculpture Award, was the curator of the Exhibition. Yeo's winning work, "The Wind, Her Rain, And A Cloud Meets With A Tree In The Monsoon Season", has since been commissioned and installed at City Green, the urban park adjoining City Square Mall.

CDL also supported "These Things Must Be Done To Get On In Life" Exhibition held at Post-Museum. This visual arts exhibition featured 3D and multimedia art installations by various dynamic local artists, including Tan Wee Lit, winner of The 3rd CDL Singapore Sculpture Award.

In celebration of its 150th Anniversary, the Singapore Botanic Gardens was spruced up with nature-inspired sculptures. Titled "Nature Borne" and supported by CDL, the exhibition featured works by 10 visual artists from Singapore and South Korea.

In August 2009, CDL supported The Straits Times 7.59 Series Photo Exhibition. A private auction and sale proceeds from the exhibition raised S\$10,500 for The Straits Times School Pocket Money Fund. CDL also supported the 21st Singapore International Photo-Art Exhibition 2009 held at Kreta Ayer Community Club

"The CDL Singapore Sculpture Award is a good example of an arts initiative led by the private sector. Established as the first nationwide sculpture competition in 2002, the Award continues to be the only initiative of its kind. Over the years, the biennial competition has grown and today, it is firmly established as a key event in the arts calendar, garnering strong support from the arts community."

– RADM (NS) Lui Tuck Yew, Acting Minister for Information, Communications and the Arts

organised by the Photo-Art Association of Singapore, as well as the 20th International Salon of Colour Photography 2009 at The Arts House organised by the Singapore Colour Photographic Society.



Winners of the 4th CDL Singapore Sculpture Award with Guest-of-Honour, RADM (NS) Lui Tuck Yew, Acting Minister for Information, Communications and the Arts, and representatives from the Award's Organising Committee. Back Row (left to right): Mr Ng Lang, CEO of National Parks Board, Mr Kwek Leng Joo, Managing Director of CDL, Minister Lui Tuck Yew, Mr Kwok Kian Chow, Director of Singapore Art Museum, Mr Edmund Cheng, Chairman of National Arts Council and Mr Choo Thiam Siew, President of Nanyang Academy of Fine Arts.

In Focus: Marking CSC's 10th Anniversary



"To light up the lives of the less fortunate by offering our friendship and to contribute towards making our society a better place."

– City Sunshine Club's Mission

CDL prides itself as being a strong advocate of Work-Life harmony and practices. We have pledged our commitment to maximise the potential of our staff and care for their personal well-being. In this regard, we strive to create a conducive work environment that integrates both employees' professional and personal / family needs.

As a pro-family company, CDL has continued to be supportive of National Family Celebrations (NFC), an initiative championed by the National Family Council since 2007. We support programmes and events spearheaded by the NFC that look into inculcating the

importance of family bonding. In 2009, NFC implemented a series of activities under the theme of "Parenting".

At CDL, we genuinely care for our employees and believe in gathering "voices" from the ground to analyse and understand their underlying needs. We use mechanisms such as the annual Employee Climate Survey and Health Survey to obtain feedback and identify areas that can be enhanced to help our employees nurture their capabilities and realise their potential.

To commemorate the 10th anniversary of CSC, a series of community activities were organised throughout the year which included established beneficiaries (as we believe in maintaining sustainable programmes successfully) and new beneficiaries because we wanted to cast our net wider to extend more help in our community. Early in the year, CSC volunteers researched and approached a few potential beneficiaries to engage and develop a synergistic partnership that could best couple CDL's strengths to their needs.

The key highlight was a dedicated community and staff day themed "Sunshine Makeover" on Saturday, 15 August, involving all employees in the refurbishment and repair



A strong culture of voluntarism and giving is shared by all CDL staff. CDL senior management and staff, led by Managing Director Kwek Leng Joo, gave their 100% towards the refurbishment work at Children's Aid Society.



Mr Mai Chin Wu shopping for groceries at NTUC Fairprice, accompanied by CDL volunteer Jennas Lai at an outing to City Square Mall.

work of two new beneficiaries, one for the elderly and another for children over two weeks.

Refurbishment works for Man Fut Tong Nursing Home comprised the painting of an outdoor recreation area (including a cheerful mural) and five physiotherapy rooms, the repair of warped flooring in two wards and planting activities at the central courtyard garden. In addition, CDL employees also befriended and entertained the residents and day-patients.

At the Children's Aid Society, refurbishment works included the painting of a lively mural, basketball court lines, staircase railings and even old playground equipment. CDL employees also installed new notice boards and playframe on the ground floor play area as well as swept and tidied the open field.

Following the makeover at the homes, there was a celebratory lunch at Cheng San Community Club, where employees were treated to an afternoon of fun and get-together, with Mrs Yu-Foo Yee Shoon, Minister of State for Community Development, Youth & Sports, as Guest-of-Honour. This marked the culmination of a series of community projects that the Company embarked on in 2009 to commemorate CSC's milestone.

"The CDL Community & Staff Day marked an important milestone in staff voluntarism with company-wide participation and outpour of care, compassion, commitment and creativity. Much as we gave, we received. The friendship and smiles of our beneficiaries as well as the team spirit and bonding forged with colleagues were invaluable gains beyond tangible contributions."

– Ms Foo Chui Mui, President, CSC (Head, Customer Relations, CDL)

Besides this two-week long refurbishment exercise, other CSC highlights in 2009 included distributing red packets and oranges to the elderly at Henderson Home to celebrate Lunar New Year, and a four-day "Eat-in-for-Charity" fundraising campaign in aid of Heart-to-Heart Service, in recognition of pioneer volunteer Sister Teresa Hsu's lifetime commitment to voluntarism. CDL employees raised over S\$7,000 from the 4-day 'Eat-in-for-Charity' campaign and CDL matched dollar-for-dollar, amounting to a total donation of S\$15,000.

CDL volunteers also brought over 80 elderly befriended to City Square Mall for lunch and shopping in November 2009. These befriended included those from Indus Road who live in one-bedroom public housing flats, often alone, and who depend on public grants to get by. CSC volunteers visit them monthly to ensure their basic needs are taken care of, and that they are in good health. In addition to distributing food provisions to these elderly, the volunteers also extend their friendship and care. The outing also included elderly from AWWA Community Home who are on public assistance or have no family or means of financial support, and have to take care of their own units and daily living needs.

With the knowledge that many of them are financially disadvantaged and have few opportunities to engage in activities most of us take granted for such as shopping or enjoying a meal out, CDL and our tenants arranged a special programme tailored for them and took every effort, including providing shopping and meal vouchers, as well as ample volunteers, to assist the elderly befriended.

In Focus: CDL Commissions Commemorative Artworks for the Singapore 2010 Youth Olympic Games

To commemorate Singapore's hosting of the first ever Youth Olympic Games (YOG), two specially-designed Olympic-themed public artworks have been commissioned by CDL for installation at the Marina Bay waterfront promenade.

The two sculptures will be the first public art sculptures to be showcased under the Marina Bay Public Art Programme, and made possible through a collaborative effort between the Singapore Youth Olympic Games Organising Committee (SYOGOC), CDL and Urban Redevelopment Authority (URA).

In the spirit of engaging the wider arts community for the YOG, SYOGOC, URA and CDL wanted to provide an opportunity for the local arts community to take part by conceptualising artworks that would encapsulate the artistic expressions of the Olympic ideals.

The youthful spirit of the YOG and its birth in Singapore is in line with the buzz and vibrancy which we want to develop for Marina Bay. We are pleased to partner URA and CDL in this initiative and we thank them for their commitment in integrating art and development, and for leaving Singapore with a legacy for the first YOG.

– Mr Goh Kee Nguan, Chief Executive Officer, Singapore Youth Olympic Games Organising Committee



The Olympic-themed artworks commissioned by CDL include "Breathe", a self-sustaining kinetic sculpture that reflects the Olympic ideal of Environment, by 36-year-old artist Mr Edwin Cheong (left) and "A World United", a dynamic representation of the Olympic ideals of Peace and Sport, as well Culture, by 22-year-old artist Mr Huang Yifan (right).



These are artists' impressions on-site along the Marina Bay waterfront promenade of the commissioned artworks "Breathe" and "A World United". (Artist's Impressions above are courtesy of URA.)

Marina Bay will soon become a new focal point for Singaporeans, with various public attractions for visitors to enjoy. Through the Marina Bay Public Art Programme, we hope to enhance the quality of public spaces in Marina Bay and enliven visitors' experience of Marina Bay by bringing in a good selection of visual public art projects and events into the area. These artworks will literally add more colours to the Bay, and inject greater vibrancy and character to the area."

– Mrs Cheong Koon Hean, Chief Executive Officer, Urban Redevelopment Authority

The idea to commission the artworks was first mooted by SYOGOC in 2009 who approached CDL as a partner of choice given our active promotion of sculptural art through the CDL Singapore Sculpture Award. Leveraging on our established outreach to a creative talent pool via the Sculpture Award, past winners and exhibited open category finalists of the national-level competition held by CDL since 2003 were invited to submit their concept

proposals for the iconic waterfront site in December 2009. A total of some 90 concept submissions based on the Olympic themes of Peace and Sport, Culture and Environment were received from 30 local artists.

The two artworks commissioned were selected through a rigorous two-stage selection process. The completed artworks will be installed at the Marina Bay waterfront promenade and unveiled before the YOG in August 2010.

Summary of CDL Performance Data

SUMMARY OF CDL PERFORMANCE DATA	2007	2008	2009
Social			
Annual employee turnover rate	16.8%	17.1%	10.7%
Employee satisfaction	N.A.	≥ 90%	≥ 90%
Days of medical leave taken	≤ 4	≤ 4	≤ 4
Gender Diversification: % of females as Heads of Department	55%	57%	57%
Average years of service per employee	8.3	8.1	8.4
Total CSR and Environment-related training hours	1,193	1,075	>3,000
New developments to be well-ranked on CONQUAS	Yes	Yes	Yes
All new developments to be certified BCA Green Mark Gold and above	Yes	Yes	Yes
Employee participation rate per year	50%	66%	85%
Employee volunteer hours per year	2,242	2,644	5,524
Health and Safety:			
- At the Corporate Office:			
Injury rate and occupational disease	0	0	0
- At CDL work sites:			
Accident Frequency Rate at CDL Work Sites (Number of workplace accidents per million manhours worked)	0.4	0.52	0.38
Injury Rate at CDL Work Sites (Number of fatal and non-fatal workplace injuries per 100,000 persons employed)	118	273	100
Environment			
Energy Used at Work Sites kWh/m ²	55	43	46
Water Used at Work Sites m ³ /m ²	0.7	0.68	0.8
Construction Waste Generated at Work Sites kg/m ²	65.9	59.87	61.7
Energy Used at 11 CDL Commercial Buildings kWh/month/m ²	18.856	18.839	17.704
Energy Used at 5 CDL Industrial Buildings kWh/month/m ²	10.443	9.364	9.745
Water Used at 11 CDL Commercial Buildings m ³ /month/m ²	0.142	0.161	0.188
Water Used at 5 CDL Industrial Buildings m ³ /month/m ²	0.088	0.089	0.088
Paper Recycled at CDL Buildings kg	417,074	384,047	320,233
Tenants Participation Rate for Paper Recycling at CDL Buildings %	81	88	>90%
Energy Used at the Corporate Office kWh	634,198	569,640	557,718
Paper Used at the Corporate Office (Number of A4 reams)	5,410	4,796	4,395
Total Energy Used kWh	68,948,060	65,421,737	61,495,674
Total Carbon Emissions tonnes CO ₂	36,144	34,367	30,924

GRI Content Index

GRI INDICATORS	REPORT PAGE
STRATEGY AND ANALYSIS	
1.1	2-3, AR (12-16, 41-47)
1.2	8-10, 33-35
ORGANISATIONAL PROFILE	
2.1	5
2.2	5
2.3	5, AR (21)
2.4	5, AR (21)
2.5	5, AR (21, 25)
2.6	5, AR (21)
2.7	5, AR (21, 25)
2.8	5, AR (21, 25)
2.9	5, AR (21, 25)
2.10	13, 17, 23
REPORT PARAMETRES	
3.1	7
3.2	7
3.3	7
3.4	7
3.5	7
3.6	7
3.7	7
3.8	7
3.9	7
3.10	7
3.11	6-7, 10, 39, 41-42
3.12	77-78
3.13	7, 79-80
GOVERNANCE, COMMITMENTS AND ENGAGEMENT	
4.1	9-10, 31-33
4.2	31-33
4.3	31-33
4.4	31-33
4.5	31-32, 55
4.6	31-32
4.7	31-33
4.8	8-9, 31-32, 37
4.9	9-10, 31-32
4.10	31
4.11	33
4.12	13
4.13	13, AR (22-24)
4.14	8, 11-13
4.15	8, 11-13
4.16	8, 11-13
4.17	11-13

GRI INDICATORS	REPORT PAGE
DISCLOSURE ON MANAGEMENT APPROACH	
DMA EC	6, 8, 33-35
DMA EN	9-10, 35, 37-39, 78
DMA LA	9-10, 35, 53, 78
DMA HR	10, 54, 78
DMA SO	8-10, 33-35
DMA PR	9-10, 33
ECONOMIC	
Economic Performance	
EC1	6
EC2	8-10, 15
EC3	56-57
Indirect Economic Impacts	
EC8	18, 74-75
ENVIRONMENTAL	
Materials	
EN3	40-41
EN4	41-42
EN5	40
EN6	16, 40
EN7	19, 40
Water	
EN8	43-44
EN10	43-44
Biodiversity	
EN13	47
EN14	47
Emissions, Effluents, and Waste	
EN 16	39
EN 17	39-40
EN 18	16, 19, 39-40
EN 21	43
Products and Services	
EN26	15-17, 18-20
LABOUR PRACTICES AND DECENT WORK	
Employment	
LA2	55
LA3	55-57

GRI Content Index (cont'd)

GRI INDICATORS	REPORT PAGE
LABOUR PRACTICES AND DECENT WORK	
<i>Labour/Management Relations</i>	
LA 4	55
<i>Occupational Health and Safety</i>	
LA 7	58, 76
LA 8	56, 58
<i>Training and Education</i>	
LA10	56
LA12	35
<i>Diversity and Equal Opportunity</i>	
LA13	54
HUMAN RIGHTS	
<i>Non-Discrimination</i>	
HR4	54
SOCIETY	
<i>Corruption</i>	
SO2	32-33
SO3	56
PRODUCT RESPONSIBILITY	
<i>Customer Health and Safety</i>	
PR1	15
<i>Product and Service Labeling</i>	
PR5	20-21

AR – Annual Report 2009 (Please visit www.cdl.com.sg)

UN GLOBAL Compact index

10 PRINCIPLES OF THE UN GLOBAL COMPACT	REPORT PAGE
PRINCIPLE 1: Businesses should support and respect the protection of internationally proclaimed human rights.	13, 53
PRINCIPLE 2: Make sure that they are not complicit in human rights abuses.	13, 53
PRINCIPLE 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	55
PRINCIPLE 4: Elimination of all forms of forced and compulsory labour.	53
PRINCIPLE 5: Effective abolition of child labour	53
PRINCIPLE 6: Elimination of discrimination in respect of employment and occupation.	54
PRINCIPLE 7: Businesses should support a precautionary approach to environmental challenges.	9-10, 15-16
PRINCIPLE 8: Undertake initiatives to promote greater environmental responsibility.	9-10, 15-16
PRINCIPLE 9: Encourage the development and diffusion of environmentally friendly technologies.	9-10, 15-16
PRINCIPLE 10: Businesses should work against corruption in all its forms, including extortion and bribery.	31-32

Independent Assurance Statement

To the Management and Stakeholders of City Developments Limited

For the second year, City Developments Limited (CDL) commissioned Ere-S to carry out an independent third-party assurance on their Sustainability Report.

Scope and objectives

In accordance with the AA1000 Assurance Standard (AA1000AS 2008), the assurance engagement provided a Type 2 assurance, which evaluates the adherence to the AA1000 AccountAbility Principles (AA1000APS 2008) and the reliability of the sustainability performance information found in the Sustainability Report.

A moderate level of assurance was provided with a scope covering the operations of CDL in Singapore. For the adherence to AA1000AS, information at corporate and management level was collected and analysed to obtain sufficient confidence in the organisation's disclosure on the approaches and procedures related to sustainability. Criteria outlined in the AA1000APS (2008) principles of Inclusivity, Materiality and Responsiveness was used for the evaluation.

For the evaluation of sustainability performance, management-level data verification and evidence gathered from various sources was used and assessed using GRI G3 quality principles. This covered the reported information related to CDL's strategy and operations in the context of sustainability, including figures and statements on CSR initiatives, strategy, policies, procedures, management systems and associated processes. Figures and statements not related to sustainability and already supported by existing documents, such as the Annual Report, were not covered in the audit. These include all or part of the organisation profile (GRI disclosures 2.1 to 2.10), corporate structure and corporate financial and economic performance, technical descriptions and figures of buildings, equipment and production processes. Ere-S did not assure the Sustainability Report for GRI application level check.

The assurance engagement was conducted through April and May 2010 at the headquarters and did not include any subsidiaries.

Responsibility and independence

Ere-S's responsibility was to execute the assurance engagement, prepare the assurance report and this assurance statement for the management of CDL alone and for no other purpose. All information including statements and figures contained within the Sustainability Report are the responsibility of CDL.

Ere-S was not responsible for any prior work on the report. The activity of Ere-S is independent to CDL and contains no other financial interest in their business operation.

Methodology

The methodology for the assurance consisted of reviewing the sustainability framework, procedures and policies of CDL as well as the Sustainability Report content and identifying relevant elements to be audited. Management processes, reported statements and data sets were classified according to the relevant data owners and the type of evidence to be audited.

Two separate audit processes covering the evaluation of adherence to AA1000APS and the evaluation of the sustainability performance were done through interviews conducted with over 15 key persons from senior management, relevant departments (Environment, Health & Safety, Projects, Property & Facilities Management, Human Resource, Corporate Communication, Corporate Secretarial Services, Internal Audit, Customer Relations Management and Administration) and the CSR Committee and sub-committees.

Evidence of data, collection and calculation methods as well as information on the underlying processes including policies, reports and internal publications were compiled and assessed by our auditor. External documents, such as press releases and web sites, were also reviewed. Recommendations were shared during the audit phase to allow immediate amendment by the sustainability reporting team.

Findings

In line with the recommendations shared during last year's assurance engagement, CDL has implemented or initiated

new initiatives during the reporting period. For example, the CSR Committee has started studying the possible drafting of company-wide policies covering human rights and climate change issues.

We particularly commend CDL's initiative to anticipate the ISO 26000 official launch due at the end of 2010 and integrate the standard into the CSR strategy. Started in 2009 with a series of workshops delivered by external consultants, the CSR framework remodelling is expected to lead to sustainability approaches, objectives and KPIs more aligned with stakeholders' needs.

Evaluation of the adherence to AA1000 AccountAbility Principles

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

CDL has several mechanisms to engage with its key stakeholders, such as regular surveys, seminars, meetings, sharing sessions and specific feedback channels. We have also found evidence of formal processes through which stakeholders are given the opportunity to influence company decisions related to sustainability issues. For example, government agencies and suppliers are consulted in the first planning stages of new projects to discuss issues related to environment and health and safety. In 2009, the company reinforced the internal and external communication channels aimed to provide more information on the sustainability profile of the company as well as a mechanism for feedback.

Although formalised participation processes exist for stakeholder groups such as shareholders, employees (headquarters), suppliers, customers and government bodies, engagement with small community partners and NGOs is often limited to project-based discussion and one to one meetings. An expansion of the existing formal engagement processes to these groups will improve CDL's overall inclusivity. However, we also recognise that finding adequate local partners able to represent the diverse needs and voices of these community groups is a challenging task.

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

Processes to identify material issues and re-evaluate their significance and priority exist within the company's management system. These can be seen through the on-

going work of the CSR Committee and the regular revisions of policies and procedures such as the CDL 5-Star EHS assessment system, environmental management system, code of business conduct and ethics, employee handbook and whistle-blowing policy.

There are still several material issues that are not comprehensively covered, such as the economic and social implications related to different stakeholders impacted through the supply chain. Although no related procedures have been formalised or reported, we are pleased to have found progress made in this area. The plan to draft a new policy on human rights and climate change is one of the most significant signs of CDL's effort in broadening its CSR scope.

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

CDL uses diverse approaches to develop appropriate responses to its stakeholders. We have found evidence of multiple cases where an action taken in response to a stakeholder concern was appropriate and effective. For example, through the customer relationship management system, construction projects in progress or already concluded can be adapted to cater for unforeseen requests from customers. Another example is the addition into the company's philanthropic portfolio of projects aimed at the social and economic development of overseas communities (Indonesia and Cambodia), a strategy developed in response to stakeholders requests.

The company applies appropriate reporting mechanisms such as an enhanced CSR section on the company's web site, which includes detailed information on environmental performance. CDL's annual Sustainability Report is fairly detailed, framed according to the GRI standard and externally assured. However, the report can be improved by the disclosure of additional GRI indicators as well as less successful aspects of the company's sustainability performance and the actions taken to mitigate these issues. This will provide readers with a more balanced view and a better assessment of the company efforts in sustainability.

Evaluation of reported sustainability performance

Evidence for the identified elements of the report and a detailed description of the underlying processes was found during the audit. Base information was correctly

reflected in the Sustainability Report with a small number of minor inaccuracies, which were promptly corrected by the sustainability reporting team.

Overall, the report content satisfies the requirements of GRI G3 quality principles. The reported data is comprehensible, covers the whole reporting period and beyond and shows a satisfying level of accuracy and reliability (on the basis of a moderate level of assurance). Most of the changes in the organisation performance over time are comparable within the report and with its previous versions and other benchmarks or reports in the same industry. As mentioned above, room for improvement lies in a more comprehensive and balanced disclosure of sustainability performance.

Assurance conclusion

In our opinion, the findings of the assurance engagement provide confidence, within satisfactory limits, that the statements and figures provided in the Sustainability Report are supported by comprehensive and verifiable data and underlying management processes and are aligned with the sustainability strategy and policies of the company during the reporting period. On the basis of our review, nothing has come to our attention that causes us to believe that CDL sustainability profile does not adhere to the AA1000APS (2008) principles.

Moving forward, additional observations and suggestions for improvement include:

- The scope for assessing material issues should be expanded to areas not currently covered within the company sphere of influence. These include all actors of the supply chain and the direct or indirect stakeholders impacted by it. CDL should also consider strengthening the inclusion of its local and overseas subsidiaries in its CSR framework and disclosures where materiality estimation, measurement and comparability are possible (as it has been done with ISO 14001).
- Although there has been improvement since the last reporting period, more intentional inclusivity of stakeholders in internal decision making will benefit CDL sustainability approaches. For this, building the capacity to engage less structured stakeholders such as community-based groups will be a key component.
- It will also be essential to accompany the extension and fine-tuning of the scope with the inclusion in the Sustainability

Report of additional information covering the relevant domains, such as economic, society and labour practices. This will provide the report with more completeness and comparability.

We are confident that the work being undertaken for ISO 26000 integration and the new policies resulting from it will provide the stepping stone for improvement in line with these recommendations.

The above findings and additional suggestions for improvement have been presented to the management of CDL, the CSR Committee and the sustainability reporting team in a more detailed assurance report.

Ere-S



Poh Shuxian, Director

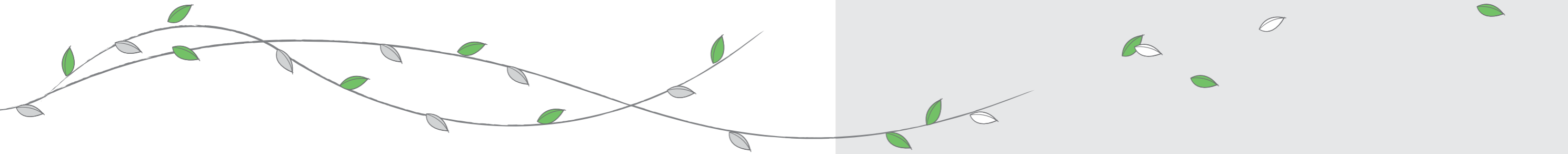


Jean-Pierre Dalla Palma, Director and Lead Auditor

**Ere-S
Singapore
May 31, 2010**

Ere-S is a consulting company specialised in business sustainability and provides services in the domains of CSR strategy design and implementation, stakeholder engagement, sustainability reporting and training.

 **AA1000**
Licensed Assurance Provider
000-68

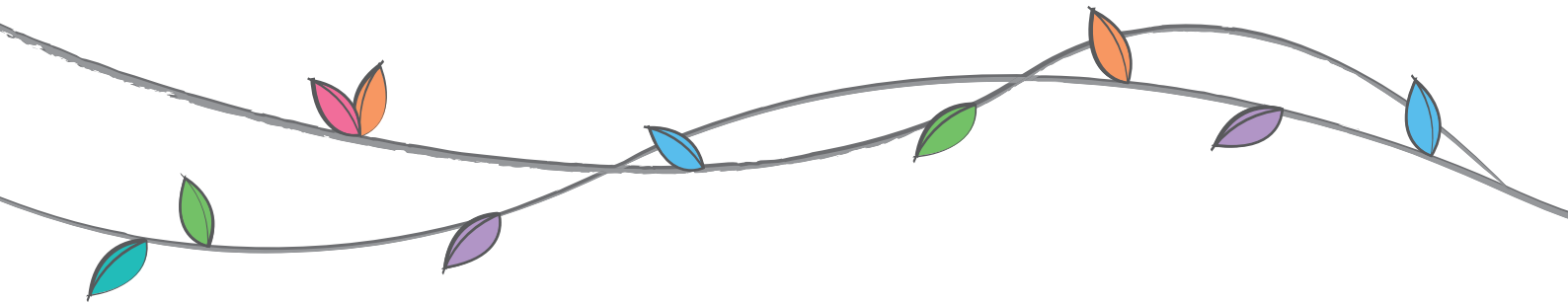


This report may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative 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.

Published by City Developments Limited.

Company registration number: 196300316Z
www.cdl.com.sg
MICA (P) 150/06/2010





CITY DEVELOPMENTS LIMITED

Conserving the Environment • Caring for the Community