



**INTEGRATING**  
**OUR STRENGTHS**  
CREATING FUTURE VALUE

**CITY DEVELOPMENTS LIMITED**  
**INTEGRATED SUSTAINABILITY REPORT 2016**



## Integrating our Strengths, Creating Future Value

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At City Developments Limited (CDL), we believe the future is ours to build.

Over the past 20 years, our ethos of 'Conserving as we Construct' has built a strong Corporate Social Responsibility (CSR) foundation.

The sustainability journey of a thousand miles for us, began with a single step in 1995. In 2015, we challenged ourselves to "Create Future Value" for sustainable growth by harnessing our capitals. Today, we take a further step in that direction by "Integrating our Strengths", making positive impact in the areas most material to our business and stakeholders, and staying the course of our Corporate Vision to Building Value for Tomorrow, Today.

## EXECUTIVE CHAIRMAN STATEMENT



### Dear Stakeholders,

As a pioneering adopter of sustainability since 1995 with our first dedicated Social and Environment Report published in 2008, CDL is fully supportive of the Singapore Exchange's plan to implement the "comply or explain" approach towards sustainability reporting in 2017.

Having celebrated two decades of our CSR journey in 2015, CDL has stepped up our focus towards "Creating Future Value". In line with this emphasis on value creation, we became the first property developer in Singapore to adopt the International Integrated Reporting Council's (IIRC) Integrated Reporting <IR> approach for our Sustainability Report last year.

This Report continues to embrace the IR approach to connect CDL's social and environmental performance with business and financial impact for a more meaningful and all-rounded corporate reporting.

Testament to our sustainability efforts, CDL was ranked the Top Real Estate Company and Top 10 in the prestigious Global 100 Most Sustainable Corporations in the World in 2016. In 2014 and 2015, CDL was Asia's Top Property Developer and Top Singapore Company in the Channel NewsAsia Sustainability Ranking. The Company also remains the first Singapore corporation to be listed on three of the world's leading sustainability benchmarks – FTSE4Good Index Series (since 2002), Global 100 Most Sustainable Corporations in the World (since 2010) and Dow Jones Sustainability Indices (since 2011).

In 2015, CDL mourned the sudden passing of our Deputy Chairman, Mr Kwek Leng Joo, who was also Chairman of the CSR & Corporate Governance (CG) Committee. A dedicated advocate of CSR for over two decades, Mr Kwek's vision of 'Conserving as we Construct' established CDL's reputation as a leading



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green building champion and forerunner in CSR, raising the bar for Singapore's real estate industry and driving change for the building sector. His pioneering green efforts have helped to place CDL and Singapore on the global map of sustainability.

The Board remains committed to building upon these achievements and advancing CDL's sustainability efforts. In February 2016, the Board welcomed Mr Eric Chan as Chairman of the CSR & CG Committee, in addition to his role as Chairman of the Audit & Risk Committee as well as the Remuneration Committee. Mr Chan's expertise and extensive experience will no doubt be invaluable as we continue to strive forward in our sustainability journey.

Since January 2016, the sustainability function and company-wide CSR committee has come under the direct supervision of the Chief Executive Officer. This demonstrates CDL's continued leadership commitment to sustainable practices and our strategic approach to integrating sustainability in all aspects of our business and operations.

**Kwek Leng Beng**  
Executive Chairman

## CEO STATEMENT



### Dear Stakeholders,

For several years now, most especially in the wake of the 2007-2008 global financial crisis, there has been a growing recognition that the financial system must not only be sound and stable, but also sustainable. Specifically, in January 2014 the United Nations Environment Programme launched an inquiry into policy options for guiding the global financial system to invest in the transition to a low-carbon, green economy. In response, global sustainable investment assets have increased dramatically in recent years, rising from US\$13.3 trillion at the outset of 2012 to a total of US\$21.4 trillion at the start of 2014. Similarly, in 2015 the Singapore Exchange (SGX) recently released its plans and proposed guidelines for sustainability reporting on a 'comply or explain' basis from financial year 2017.

2015 was a year marked with significant developments in sustainability. The unprecedented COP21 Paris agreement in December saw 195 nations pledge to limit global warming to below 2°C by 2100. Singapore also submitted its Intended Nationally Determined Contribution (INDC), stating its intention to reduce its Emissions Intensity by 36% from 2005 levels by 2030, and stabilise its emissions with the aim of peaking around 2030.

The financial and environmental alignment around sustainability issues is expected to increase and this will impact policy decisions in the political and business arena. As a result, calls for better environmental, social, and governance (ESG) targets, performance and accountability can be expected to increase for all major corporate actors.



**Last year, for the first time, CDL adopted the International Integrated Reporting Council's (IIRC) Integrated Reporting <IR> approach for our Sustainability Report. We are continuing to use this framework, by harnessing our six reservoirs of capital – financial, organisational, natural, manufactured, social and relationship, as well as human – to enhance value for our brand, business and stakeholders.**

### **Integrating Strengths, Creating Future Value**

For over 20 years, CDL's ethos of 'Conserving as we Construct' and integrating sustainability into our business has been fundamental to our corporate strategy. Our commitment to achieving a balanced triple bottom line has delivered the right mix between financial results, social engagement and environmental stewardship. As environmental regulations are progressively applied to the property sector, our leadership in ESG performance provides a clear first-mover advantage.

Last year, for the first time, CDL adopted the International Integrated Reporting Council's (IIRC) Integrated Reporting <IR> approach for our Sustainability Report. We are continuing to use this framework, by harnessing our six reservoirs of capital – financial, organisational, natural, manufactured, social and relationship, as well as human – to enhance value for our brand, business and stakeholders.

## CEO STATEMENT

### Financial Capital – Increasing Values through Sustained Growth

Despite challenging market conditions both domestically and overseas, CDL posted resilient earnings of \$773.4 million in 2015, comparable to the \$769.6 million for 2014.

In light of persistent headwinds in the local market, since 2014, CDL has made deliberate efforts to focus on our diversification strategy via both geographic expansion and development of new investment platforms. One of them is to actively grow our funds management business.

In December 2015, CDL unveiled our second Profit Participation Securities (PPS 2) programme involving a joint investment in a Singapore office portfolio comprising three of CDL's prime office assets. PPS 2 generated \$1.1 billion of incremental cash flow and \$314 million of incremental profit before tax. It enabled CDL to recycle capital for our growth plans, rebalances CDL's office portfolio exposure in Singapore, while retaining a substantial investment in these prime assets for further capital appreciation. To date, CDL has \$2.6 billion in funds under management through its two PPS vehicles.

### Organisational Capital – Instilling Responsible Best Practices

Good corporate governance and risk management are key components of our operations and planning processes. Where applicable, we strive to align our policies and practices with best-in-class standards, especially in terms of Environment, Health and Safety (EHS).

We were honoured to be conferred the prestigious title of “Best Corporate Governance in the Real Estate Developer Sector” at the Ethical Boardroom Corporate Governance Awards 2015 and the “Most Transparent Company Award 2015” in the Real Estate category by the Securities Investors Association (Singapore).

CDL also understands the importance of effective risk management and mitigation in realising strategic business objectives in today's increasingly dynamic environment. Against the backdrop of unprecedented global climate actions and public



**Driven by our commitment to play our part in mitigating the effects of climate change, and etched in the firm belief that what gets measured gets managed, we made yet another bold move to become the first developer in Singapore to embark on the stringent ISO 14064-1 Greenhouse Gas verification in March this year.**

commitments, a review was conducted in 2015 to expand our Enterprise Risk Management portfolio to include emerging EHS risks material to our business operations.

For many years now, CDL has ventured beyond practicing to also advocating corporate responsibility to our supply chain, tenants, customers, academia, and students through thought leadership platforms. With more key stakeholders on board in the ecosystem, we believe sustainability goals with the wider community can be better achieved.

### Natural Capital – Intensifying Efforts in Environmental Sustainability

For the past two decades, we have continuously innovated, invested in, and improved on the way buildings sustain life. Our pioneering adoption of green and low carbon strategies such as maintaining our carbon neutral operations in our corporate head office, early adoption of extensive solar panels at our commercial and residential developments, as well as vertical greening have helped to make Singapore more sustainable and liveable.

We have also upheld our unwavering commitment to environmental management and energy efficiency. As the first private property developer in Singapore to achieve the ISO 14001 Environmental Management System and ISO 50001 Energy Management System certifications since 2003 and 2014 respectively, we continue our efforts to overcome inherent environmental challenges today and tomorrow.

Driven by our commitment to play our part in mitigating the effects of climate change, and etched in the firm belief that what gets measured gets managed, we made yet another bold move to become the first developer in Singapore to embark on the stringent ISO 14064-1 Greenhouse Gas verification in March this year.

In addition to the carbon intensity reduction targets established in 2011, we also further introduced electricity and water intensity targets in 2015 – to achieve a reduction of 22% by 2020 and 25% by 2030 from baseline year 2007, across CDL's core business.

To reinforce our efforts in helping Singapore achieve its INDC, CDL is also reviewing our carbon emission targets based on the Sectoral Decarbonisation Approach.

#### **Manufactured Capital – Innovating for Smart Green Spaces**

We invest between 2% and 5% of a new development's construction cost on green building design and features and deliver on quality eco-spaces. Today, we continue to be the private developer with the largest portfolio of Building and Construction Authority (BCA) Green Mark buildings and office interiors in Singapore – over 80<sup>1</sup>, including 33 Platinum projects.

At our latest project, The Brownstone Executive Condominium (EC), we are adopting the use of the innovative Prefabricated Prefinished Volumetric Construction (PPVC) technology. This PPVC application is the first in Asia and also we understand the world's largest for a major residential development. The Brownstone emerged as the best-selling EC in 2015 at the time of its launch in July 2015, a testament to the marketability of our green developments.

In Singapore, buildings account for about 39% of energy consumption and users can certainly make a difference in conserving energy. With active engagement to raise eco-consciousness, over 90% of our existing commercial tenants have signed the CDL Green Lease Memorandum of Understanding as at March 2016.



**In this year's report, we have aligned our material issues with the Sustainable Development Goals (SDGs) launched by the UN in September 2015. This allows us to further pave the way in sustainable development through innovative business approaches and partnerships in finding solutions for the world's economic, social, and environmental challenges.**

#### **Social and Relationship Capital – Inspiring Stakeholders to Build a Sustainable Future**

In this year's report, we have aligned our material issues with the Sustainable Development Goals (SDGs) launched by the UN in September 2015. This allows us to further pave the way in sustainable development through innovative business approaches and partnerships in finding solutions for the world's economic, social, and environmental challenges.

As a longstanding advocate of the Government's 3P model which encourages partnerships between the People, Private, and Public sectors, we are committed to sustaining established partnerships and forging new collaborations to create a positive impact on the community.

In December 2015, CDL partnered Eco-Business to launch a new initiative – EcoBank, to promote waste reduction and sustainable consumption. With the support of our tenants and shoppers at City Square Mall and at six of our commercial properties, over 6,000kg of "pre-loved" (i.e. second-hand) items were collected and sold through a weekend bazaar, raising nearly \$48,000<sup>2</sup> for disadvantaged women and children. CDL employees and partners also contributed over 500 volunteer hours to help realise this meaningful initiative.

<sup>1</sup> Includes subsidiaries and associated companies.

<sup>2</sup> Includes dollar-to-dollar matching by the Government under the Care and Share @ SG50 Movement.

## CEO STATEMENT

Celebrating the successful inscription of the Singapore Botanic Gardens as Singapore's first UNESCO World Heritage Site, CDL organised a charity gala dinner to raise some S\$350,000 for the Garden City Fund in support of its outreach and conservation efforts. As a personal contribution, our late Deputy Chairman Mr Kwek Leng Joo launched a special photo book titled "Embrace", capturing the natural and cultural beauty of the Gardens. Sale of 20 copies of the book autographed by Prime Minister Lee Hsien Loong raised S\$320,000<sup>3</sup> for the National Heritage Board's National Monuments Fund.

Youth engagement also remains a key focus with our signature outreach programmes such as the annual CDL-Compact Singapore Young CSR Leaders Award and CDL E-Generation Challenge growing year-on-year. Through our sustained partnerships with educational institutions and creation of knowledge sharing platforms, CDL hopes to cultivate a strong sense of social and environmental responsibility in our youth – our future leaders.

### Human Capital – Investing in our People

At CDL, we see human capital as one of the Company's most valuable resources. We are committed to being an employer of choice through competitive remuneration, as well as by developing, engaging, and caring for our people. In 2015, we were awarded with the Singapore Best Companies To Work For 2015 – Watch Out World! (W.O.W) Special Mention Award presented by Great Place To Work® in Singapore for our progressive workplace culture and good people practices.

Biennial Employee Engagement Surveys are also conducted to obtain feedback and insights into employee-related concerns. For the 2015 Employee Engagement Survey, our Employee Engagement score was above the Singapore country norm. Our employee turnover rate remains well below the

national average, and we continue to nurture a robust talent pool of high-potential employees as part of our succession planning efforts. In 2015, we introduced the CDL Leadership Programme to sharpen their leadership and management skills.

We have also reviewed our remuneration practices to align appropriate ESG issues with executive management goals and incentive schemes. As a result, an ESG-linked appraisal and remuneration policy was introduced in 2015 which incorporated ESG goals in the setting of individual KPIs for all employees, including Senior Management.

### Challenges and Opportunities

The domestic and international economy is expected to remain soft in 2016, challenging businesses across many sectors. Fears of a global recession, stock market volatility, a dramatic fall in oil prices, and other uncertainties, have all made the global economic climate highly sensitive, and an air of caution prevails.

Locally, the effects of oversupply, higher land and construction costs, and property cooling measures, have led to a softening of the property market, dampening both demand and prices, with little impetus for investors. According to the 2016 Budget, cooling measures are also not expected to be relaxed in the short-term.

Amid the looming threat of the Zika virus, the government has also warned that Singapore could experience its worst dengue spell in 2016. This is a significant risk to our business as construction sites are known to have a high potential for mosquito breeding. While our established EHS practices have helped mitigate such risks to a large extent, we will remain vigilant and continue to step up on our engagement with contractors.

<sup>3</sup> Includes dollar-to-dollar matching by the Government under the Ministry of Culture, Community and Youth's Cultural Matching Fund.



**Innovation will continue to be the key driver for green and sustainable developments. In March this year, we announced a partnership with the National University of Singapore (NUS) to catalyse innovations in smart, green building technologies, which could be pilot tested in our future developments. CDL made a gift of \$2.25 million to the NUS School of Design and Environment to establish two new research laboratories – NUS-CDL Smart Green Home and NUS-CDL Tropical Technologies Laboratory (T<sup>2</sup> Lab).**

#### **The Journey Ahead**

As a listed company, strong endorsements of our sustainability performance by global sustainability benchmarks such as FTSE4Good, Global 100 Most Sustainable Corporations in the World, Dow Jones Sustainability Indices, GRESB, and CDP continue to build trust with international investors, in particular Socially Responsible Investing funds.

Innovation will continue to be the key driver for green and sustainable developments. In March this year, we announced a partnership with the National University of Singapore (NUS) to catalyse innovations in smart, green building technologies, which could be pilot tested in our future developments. CDL made a gift of \$2.25 million to the NUS School of Design and Environment to establish two new research laboratories – NUS-CDL Smart Green Home and NUS-CDL Tropical Technologies Laboratory (T<sup>2</sup> Lab).

These two laboratories are first-of-their-kind tailored to the tropical climate, and in line with Singapore's vision to become a cleaner, greener, smarter, and more sustainable city.

As we expand our business and investments, we are mindful that in the near future, businesses will likely be held accountable for their carbon footprint and will have to take into consideration possible carbon pricing. As such, in managing our day-to-day business, we remain committed to low carbon operations, evident from our newly-set targets for electricity and water intensity, and our review of our carbon emission goals. We remain steadfast in ESG tracking and disclosure for continuous improvement.

In the long run, superior ESG performance will not only enhance a company's reputation, but also assist in risk mitigation and cost management, create greater sales volume, and drive improved operational performance– ultimately contributing to a growing bottom line and the long-term health of the business.

**Grant Kelley**  
Chief Executive Officer

## CDL AT A GLANCE

**53**years of  
track record**21**years of  
**CSR  
Excellence****10<sup>TH</sup>**on Corporate Knights'  
**Global 100 Most  
Sustainable Corporations**  
in the World Index 2016 and **top**  
amongst listed real estate companiesGroup's major acquisitions  
amounted to almost**\$1 billion**

in assets in 2015

**\$3.3****billion**Group revenue  
in 2015**12**years of  
**sustainability reporting**  
(since 2004)**Top** Property  
Developer  
in Asia and **Top**  
Singapore Companyin the Channel NewsAsia  
Sustainability Ranking 2014  
and 2015

Listed on

**10** leading  
sustainability  
benchmarksincluding FTSE4Good Index  
Series, Dow Jones Sustainability  
Indices, and MSCI ESG Indexes

Over

**80** Green  
Mark**developments and office interiors**  
awarded by the Building and  
Construction Authority (BCA),  
highest among Singapore developers

\* Includes subsidiaries and associated companies.



More than

**\$31 million**worth of savings from annual  
electricity consumption from 57  
BCA Green Mark certified buildings  
between 2008 and 2015**19%**reduction  
in carbon intensity  
emissions since  
2007**2,079**Employee  
volunteer hours

## ABOUT CDL

CDL is a Singapore-listed international real estate operating company with a global presence spanning 94 locations in 26 countries. As one of Singapore's largest companies by market capitalisation, its income-stable and geographically-diversified portfolio comprises residences, offices, hotels, serviced apartments, integrated developments and shopping malls, totalling over 18 million square feet of floor area globally.

CDL has hotel assets in one of the world's largest hotel groups – its London-listed subsidiary, Millennium & Copthorne Hotels plc (M&C), has 126 hotels globally, many in key gateway cities.

In Singapore, CDL has developed over 36,000 homes and is one of Singapore's largest commercial landlords, with one of the biggest landbanks amongst Singapore private-sector developers.

Building on its track record of over 50 years in real estate development, investment and management, CDL has developed growth platforms in five key international markets – China, UK, US, Japan and Australia. The Company is also leveraging its stable of prime assets and growing its real estate funds management business. It currently has \$2.6 billion in funds under management.

## VISION AND STRATEGY

Since the 1990s, CSR has been integrated into CDL's corporate vision and mission to create business value and sustain the Company's growth. To complement the Company's business strategy in today's fast-evolving business environment, an enhanced set of corporate vision, mission, and values (VMV) has been established. The enhanced VMV was unveiled in April 2016.

### Corporate Vision

Building Value for Tomorrow, Today

### Corporate Mission

As a trusted property pioneer and a global hotelier, CDL builds value everywhere we go.

- We build quality and innovative spaces to house desirable homes, competitive businesses and secure investments
- We build sustainable profitability while conserving the environment
- We build partnerships to achieve better results
- We build engaging careers so staff can grow with the company
- We build bonds with the community by supporting worthy causes

At CDL, we believe the future is ours to build.

### Corporate Values

- **Committed** to positive results
- **Competitive** in setting standards and beating the competition
- **Caring** towards the people we work with, products we create, and the environment we operate in

In 2015, we expanded our CSR vision and mission after 20 years of our sustainability journey, with a stronger alignment with CDL's enhanced VMV.

#### > CSR Vision

CDL Future Value 2.0:  
Creating Greater Value, Today and Tomorrow

#### > CSR Mission

Harnessing our capitals – Financial, Organisational, Manufactured, Natural, Social and Relationship, and Human – to create enhanced value for stakeholders, now and in the future



# **INTEGRATED**

**STRATEGY FOR VALUE  
CREATION**

## INTEGRATED STRATEGY FOR VALUE CREATION

### STRATEGIC APPROACH FOR SUSTAINABILITY

At CDL, we continue to refine our management approach to adapt to the changing business and sustainability landscape. Aligning with the perspective of our stakeholders, the Senior Management Team (SMT) has, within the scope of CDL's corporate operations, identified that the Environment, Employee Relations, Corporate Governance (CG) and Risk Management, Stakeholder Relations and Community constitute key sustainability aspects material to our business.

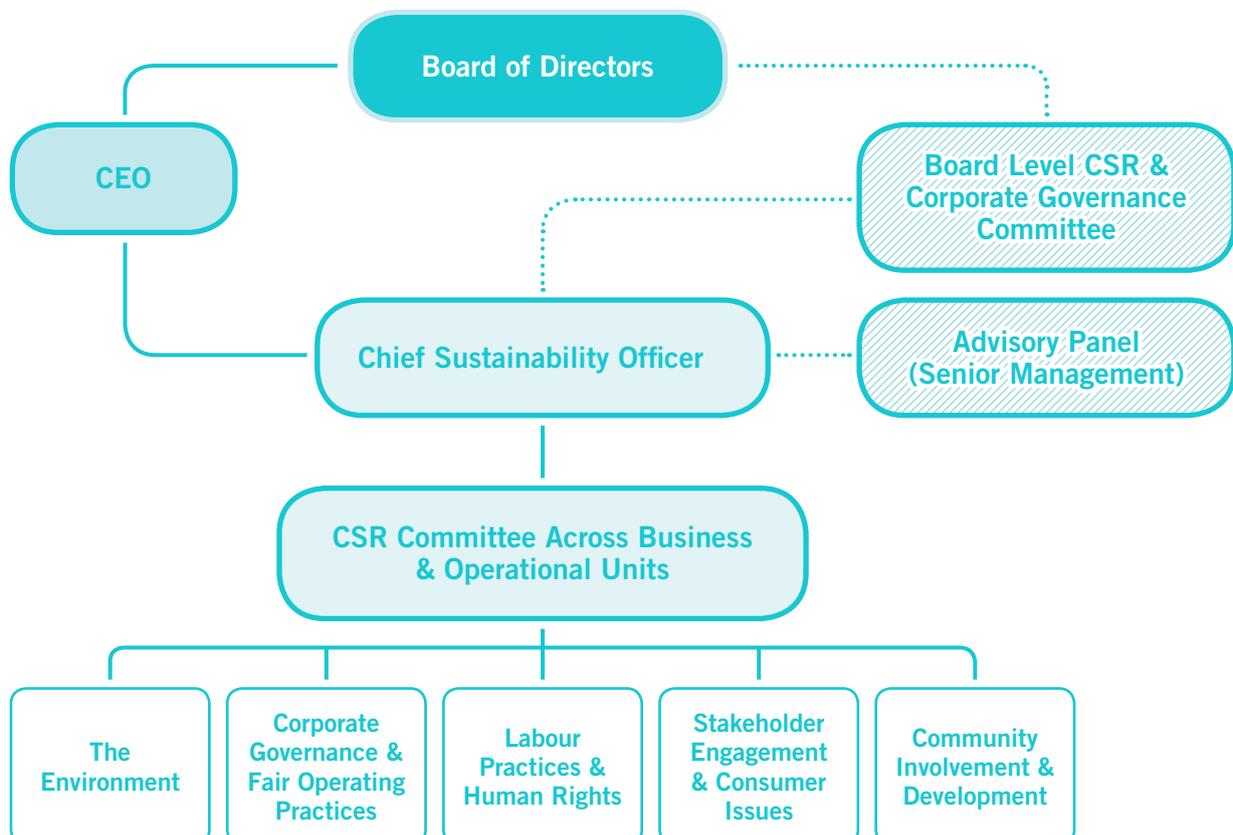
A company-wide CSR Committee was set up in 2008 and is responsible for driving CSR strategically across the business, and measuring key performance. This Committee cuts across all corporate and operational units that are material to the business. It initiates, drives, and monitors various aspects of our sustainability practices, ensuring that these are integrated into our business operations and complement corporate objectives.

Above this Committee, at the Board Level, is a CSR & CG Committee that assumes an advisory role for the Company's sustainability strategy. The Committee meets at least once a year to review CDL's sustainability performance.

Following the passing of Mr Kwek Leng Joo, who was Deputy Chairman of CDL and Chairman of the CSR & CG Committee, the Board has appointed Non-Executive and Lead Independent Director Mr Chan Soon Hee Eric as Chairman of the Committee. The Committee also comprises two other independent directors, Mr Yeo Liat Kok Philip and Mr Tan Poay Seng.

With effect from January 2016, the sustainability function and company-wide CSR committee comes under the direct supervision of the Chief Executive Officer. This demonstrates CDL's continued leadership commitment to sustainable practices and our strategic approach to integrating sustainability across all aspects of our business and operations.

### CSR Committee Structure as at January 2016



Aligned with ISO 26000: Guidance on social responsibility

# INTEGRATED STRATEGY FOR VALUE CREATION

## CDL'S VALUE CREATION MODEL

In 2015, CDL entered a new chapter of our sustainability journey with an enhanced CSR mission to “Create Future Value”. Founded on our ethos of 20 years – ‘Conserve as we Construct’, we have further stepped up on our three-pronged sustainability strategy by integrating our strengths and harnessing our capitals to realise CDL’s corporate vision of Building Value for Tomorrow, Today.



## CDL's Three-Pronged Sustainability Strategy

### 1. Develop

- Committed to green building and innovation with game-changing technologies to raise quality, productivity and sustainability

### 2. Manage

- Manage buildings with Environment, Health & Safety (EHS) as priority
- Raise EHS performance by encouraging behavioral change among tenants and occupants

### 3. Engage

- Actively engage stakeholders to adopt responsible environmental and social practices
- Market properties with greater focus on green features and eco-consumer benefits

By managing and building our capitals, we are committed to creating measurable and sustainable value for our brand, business, and stakeholders, as well as enhancing our product marketability in addition to creating enduring societal benefits.

CDL's Capitals	Commitments and Targets	Performance Highlights in 2015
<b>Financial</b> <ul style="list-style-type: none"> <li>Earnings</li> <li>Equity</li> <li>Investments</li> <li>Assets</li> </ul>	<ul style="list-style-type: none"> <li>Prudent capital management</li> <li>Sustainable dividend policy</li> <li>Acquisitions and expansion</li> <li>Funds management</li> </ul> See Financial Capital on page 23 for details	<ul style="list-style-type: none"> <li>\$3.3 billion Group revenue</li> <li>\$773.4 million PATMI</li> <li>83.6 cents earning per share</li> <li>\$1.1 billion funds under management through our second Profit Participation Securities (PPS) investment platform</li> </ul>
<b>Organisational</b> <ul style="list-style-type: none"> <li>Leadership and culture</li> <li>Corporate governance</li> <li>Corporate values and code of conduct</li> <li>Policies and practices</li> <li>Risk management</li> </ul>	<ul style="list-style-type: none"> <li>Annual staff declaration on knowledge of corporate policies</li> <li>"Zero-tolerance" policy on corruption and fraud</li> <li>Whistle-blowing procedures</li> <li>Enterprise risk management framework</li> </ul> See Organisational Capital on page 29 for details	<ul style="list-style-type: none"> <li>Enhanced Vision, Mission and Values (VMV)</li> <li>No incident of fraud and corruption</li> <li>No incident of legal non-compliance</li> <li>No incident of anti-competitive and monopoly practices</li> </ul>
<b>Natural</b> <ul style="list-style-type: none"> <li>Carbon emissions</li> <li>Energy management</li> <li>Water stewardship</li> <li>Waste and resource management</li> </ul>	<ul style="list-style-type: none"> <li>Reduce carbon emissions intensity by 22% by 2020 and 25% by 2030*</li> <li>Reduce energy intensity by 22% by 2020 and 25% by 2030*</li> <li>Reduce water intensity by 22% by 2020 and 25% by 2030*</li> <li>35%** of our building material to be derived from recycled content, low-carbon sources, or are certified by recognised environmental organisations.</li> </ul> <p>* From baseline year of 2007 ** With effect from 2016</p> See Natural Capital on page 41 for details	<ul style="list-style-type: none"> <li>Reduced carbon emissions intensity by 19% in 2015*</li> <li>Reduced energy use intensity by 27% in 2015*</li> <li>Reduced water use intensity by 17% in 2015*</li> <li>More than 30% of building materials used in H<sub>2</sub>O Residences consisted of recycled content, low carbon sources, or are certified by recognised environmental organisations.</li> </ul>
<b>Manufactured</b> <ul style="list-style-type: none"> <li>Green buildings</li> <li>Innovation and technologies</li> <li>Green retrofitting</li> <li>Quality developments</li> <li>Sustainable construction methods</li> <li>Smart solutions</li> </ul>	<ul style="list-style-type: none"> <li>New developments to be certified BCA Green Mark Gold<sup>PLUS</sup> and above</li> <li>Invest 2% to 5% of a new development's construction cost on green design and features</li> <li>New developments to score well on BCA CONQUAS</li> <li>100% tenant participation in CDL Green Lease Partnership Programme</li> <li>Universal Design Policy</li> </ul> See Manufactured Capital on page 55 for details	<ul style="list-style-type: none"> <li>Over 80* Green Mark certified developments and office interiors; close to 70% certifications are Gold<sup>PLUS</sup> and above</li> <li>Six out of the top 10 private residential projects in 2015 BCA CONQUAS ranking were CDL developments</li> <li>&gt; 90%** Green Lease MOU signed</li> <li>Four* BCA Universal Design Mark Gold Awards</li> <li>Two* BCA Universal Design Gold<sup>PLUS</sup> and Gold (Design) Awards</li> </ul> <p>* Includes subsidiaries and associated companies ** As of March 2016</p>
<b>Social and Relationship</b> <ul style="list-style-type: none"> <li>Stakeholder engagement</li> <li>Partnerships</li> <li>Social licence to operate</li> <li>Community development</li> </ul>	<ul style="list-style-type: none"> <li>70% homebuyer satisfaction</li> <li>80% tenant (office and retail) satisfaction</li> <li>70% tenant (industrial) satisfaction</li> <li>80% defects rectified within 30 days</li> <li>60% employee volunteer participation</li> </ul> See Social and Relationship Capital on page 63 for details	<ul style="list-style-type: none"> <li>60% homebuyer satisfaction</li> <li>93% tenant (office and retail) satisfaction</li> <li>87% tenant (industrial) satisfaction</li> <li>77% defects rectified within 30 days</li> <li>74% employee volunteer participation</li> </ul>
<b>Human</b> <ul style="list-style-type: none"> <li>Health and safety</li> <li>Human rights and labour practices</li> <li>Benefits and compensation</li> <li>Learning and development</li> <li>Job creation and security</li> <li>Diversity and equal opportunity</li> </ul>	<ul style="list-style-type: none"> <li>Zero fatalities across core business operations in Singapore</li> <li>≤ 4.5 medical leave day per employee per year</li> <li>Four training days per employee per year</li> <li>Sustainable engagement score higher than Singapore norm</li> <li>Employee turnover rate below industry rate</li> </ul> See Human Capital on page 79 for details	<ul style="list-style-type: none"> <li>Zero fatalities across core business operations in Singapore</li> <li>Zero workplace accidents</li> <li>Accident Frequency Rate of 0.24*</li> <li>Workplace Injury Rate of 74**</li> <li>Average of four days of medical leave taken by each employee</li> <li>Average of four training days per employee</li> <li>Sustainable engagement score of 80%, eight percentage points higher than the Singapore national norm</li> <li>15.3% employee turnover rate, lower than national average of 22.8%</li> </ul> <p>* The number of workplace accidents per million manhours worked at CDL construction sites ** The number of fatal and non-fatal workplace injuries per 100,000 persons worked at CDL construction sites</p>

## INTEGRATED STRATEGY FOR VALUE CREATION

### STRATEGIC MANAGEMENT OF MATERIAL ISSUES

Materiality is any factor that can have a present or future impact on CDL's value creation, and hence our business performance over time. Balancing internal and external viewpoints is therefore critical in defining aspects and issues that are of significant relevance to our business and stakeholders.

Since 2008 when we published CDL's first Social and Environment Report which completed the Global Reporting Initiative's (GRI) Application Level Check, we have focused our sustainability efforts around our material environmental, social and governance (ESG) issues by aligning our business perspectives with that of our stakeholders'. Our materiality also takes into account our value chain where CDL has considerable influence, but not direct control.

To keep abreast of critical issues, we periodically review our material issues against the changing business environment, stakeholder opinions, and emerging global and local trends.

### Stakeholder-Driven Materiality Review

Following our in-depth materiality assessment<sup>1</sup> in 2014, we conducted a review in February 2016 to validate and update CDL's key material issues against today's business and sustainability context.

Administered by an independent consultant, the online survey engaged our internal and external stakeholder groups as outlined on the next page. Stakeholders were asked to rank key issues and to inform us on any additional issues which they deemed to be of concern to our business. The high response rate of 75% reflected the willingness of our internal and external stakeholders to engage CDL on sustainability matters, and underscored the importance of these issues to our business performance in the long-term.

As part of the review, we have refreshed our sustainability objectives which were established since 2009, to reflect the current issues of concern to our stakeholders. CDL's sustainability objectives can be found on page 17.

Additionally, we took the initiative to assess our material issues against the new Sustainable Development Goals (SDGs) released by United Nations (UN) in September 2015. As a responsible corporate citizen, CDL actively contributes towards the SDGs by effectively managing our material issues and building innovative collaborations across sectors. More details can be found on page 18 and 19.

<sup>1</sup> Based on the methodologies of AA1000's materiality process published in Redefining Materiality, AccountAbility (2003) and Redefining Materiality II, AccountAbility (2013)

## CDL's Stakeholders

We define our stakeholders as groups whom our business has a significant impact on, and those with a vested interest in our operations. By assessing the significance and impact of their interest on CDL's business, we have identified seven key stakeholder groups.

Stakeholder Groups	Impact and Significance
<b>Our Employees</b>	Our employees are part of our human capital whose competencies and well-being are fundamental to CDL's operational effectiveness. We aim to develop their potential to drive innovation and organisational excellence.
<b>Our Customers</b>	Our promise is to create inspiring spaces and deliver quality homes in line with the rising expectations and lifestyle aspirations of tenants and homebuyers. CDL seeks to deliver sustainable solutions and exceptional service levels to delight our customers.
<b>Our Builders and Suppliers</b>	CDL works closely with partners in our value chain to ensure that construction activities are carried out in line with best practices in EHS standards and sustainable building methods.
<b>Our Investors</b>	We strive to maximise shareholder returns, maintain good corporate governance, and improve levels of transparency through financial and sustainability reporting and timely communication.
<b>The Government and Regulators</b>	Beyond compliance, we partner with key agencies in elevating industry standards for green building, sustainable practices as well as EHS.
<b>The Media</b>	As news and information outlets are one of the primary sources of information for our stakeholders and members of the public, we aim to engage the media in promoting the sustainability and green building agenda to raise eco-consciousness.
<b>Our Community</b>	Our developments shape public spaces and impact the interaction between people and their broader environment. CDL seeks to create a sense of shared space that benefits diverse community groups and activities through sustainable development and community investment.

# INTEGRATED STRATEGY FOR VALUE CREATION

## DEFINING OUR MATERIAL ISSUES

Our material issues are identified as those that are ranked as high and critical by both our internal and external stakeholders on the materiality matrix. We therefore focus our sustainability efforts and reporting on these issues that are of the most concern to our business and stakeholders.

### → CDL's Materiality Matrix



- |                                      |   |                                   |  |
|--------------------------------------|---|-----------------------------------|--|
| 1 Legal Compliance                   | 9 Energy Efficiency                             | 17 Climate Change and Emissions   | <b>Legend</b><br><span style="display:inline-block; width:10px; height:10px; background-color:#008080; border:1px solid #008080;"></span> CRITICAL<br><span style="display:inline-block; width:10px; height:10px; background-color:#ADD8E6; border:1px solid #ADD8E6;"></span> HIGH<br><span style="display:inline-block; width:10px; height:10px; background-color:#B0E0E6; border:1px solid #B0E0E6;"></span> MEDIUM<br><span style="display:inline-block; width:10px; height:10px; background-color:#E0F0F0; border:1px solid #E0F0F0;"></span> LOW |
| 2 Anti-Corruption and Anti-Fraud     | 10 Certified Green Building and Office Interior | 18 Community Engagement           |  |
| 3 Product Quality and Responsibility | 11 Wages and Local Hiring                       | 19 Labour-management Relations    |  |
| 4 Employee Health and Safety         | 12 Environmental Impact Assessment & Mitigation | 20 Procurement Practices          |  |
| 5 Customer/Public Health and Safety  | 13 Water Conservation                           | 21 Environment-friendly Materials |  |
| 6 Economic Contribution to Society   | 14 Effluent and Waste Management                | 22 Anti-child Labour              |  |
| 7 Contractor Health and Safety       | 15 Non-Discrimination and Diversity             |                                   |  |
| 8 Customer and Tenant Engagement     | 16 Training and Education                       |                                   |  |

### Issues of Increased Stakeholder Concern

The recent review has also highlighted several material issues with notable increase in concern, particularly from our internal stakeholders. This feedback will help us to evaluate and re-prioritise our sustainability practices and disclosure to align with the perspective of our stakeholders.



\*G4-19

CDL's Sustainability Objectives	For Material Issues
<b>Legal Compliance</b> <ul style="list-style-type: none"> <li>Align with international best practices and standards</li> <li>Ensure legal compliance in all areas of operation</li> <li>Uphold high standards of ethical business conduct and practices</li> </ul>	All
<b>Economic Performance</b> <ul style="list-style-type: none"> <li>Maintain profitability and optimum returns for investors</li> <li>Create value for investors and stakeholders through financial and non-financial performance</li> </ul>	6
<b>Health and Safety</b> <ul style="list-style-type: none"> <li>Identify workplace hazards and mitigate risks</li> <li>Provide a safe and healthy work environment for our employees and workers hired by our contractors</li> <li>Improve employees' health, safety and well-being</li> <li>Ensure a safe and healthy environment for our tenants and customers</li> </ul>	4 7
<b>Environment</b> <ul style="list-style-type: none"> <li>Operate in an environmentally responsible manner</li> <li>Establish and maintain a robust risk assessment framework through continuous review of existing environmental practices</li> <li>Manage waste efficiently and reduce, reuse and recycle whenever possible</li> <li>Innovate, develop, and adopt energy-efficient fixtures and renewable energy solutions</li> <li>Conduct Environmental Impact Assessments (EIA) prior to development</li> <li>Proactively engage contractors and suppliers to adopt best-in-class environmental standards and practices</li> <li>Support responsible and sustainable methods and sourcing of materials</li> </ul>	9 12 13 14 17 20 21
<b>Product Responsibility</b> <ul style="list-style-type: none"> <li>Develop green, smart and sustainable buildings and office interiors</li> <li>Deliver quality and safe spaces for sustainable value</li> <li>Engage contractors and consultants to adopt game-changing innovations</li> <li>Provide quality customer service and experience</li> </ul>	3 5 8 10
<b>Social Responsibility</b> <ul style="list-style-type: none"> <li>Prohibit any form of corruption or fraudulent acts</li> <li>Engage the community through effective 3P partnerships</li> <li>Give back to the community in the areas of environment, youth development, arts and charity</li> <li>Advocate sustainability thought leadership and best practices to the business community and future leaders</li> </ul>	2 18
<b>Labour Practices and Decent Work</b> <ul style="list-style-type: none"> <li>Improve employees' competencies and maximise their potential for career development</li> <li>Engage employees for a conducive, inclusive and caring work environment</li> <li>Promote fair labour rights and working conditions within the company and along our supply chain</li> </ul>	11 15 16 19
<b>Human Rights</b> <ul style="list-style-type: none"> <li>Eliminate forced and child labour, and human trafficking</li> </ul>	22

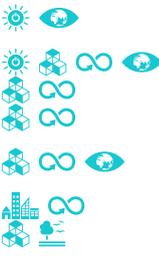
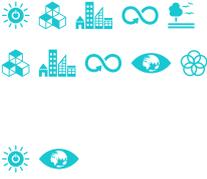
# INTEGRATED STRATEGY FOR VALUE CREATION

## ALIGNING MATERIAL ISSUES WITH SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Towards the end of 2015, the UN released a set of 17 SDGs and indicators that aim to transform the world by 2030. CDL firmly believes that a sustainable society can only be achieved with the support of the corporate community, and as such we have assessed the ways in which the management of our material issues can contribute towards sustainable development through specific SDGs.

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

SDGs Applicable to CDL	Our Impact and Contributions
 <p><b>Ensure access to affordable, reliable, sustainable, and modern energy for all</b></p>	Through best practices in energy management, low carbon operations, green features and retrofitting, as well as increased adoption of solar technologies, we build and manage certified green buildings and office interiors with energy efficiency and sustainable energy in mind. This aims to benefit our homebuyers, tenants, and business operations. Recognised as the leader in green building, CDL also plays an active role in sharing know-how within the built industry in Singapore and beyond.
 <p><b>Promote inclusive and sustainable economic growth, employment, and decent work for all</b></p>	We adopt consistent, equitable, and fair labour policies and practices in rewarding, developing, and caring for our employees under the direct hire of CDL. Through our EHS policy and CDL 5-Star EHS Assessment System, we also ensure safe, clean, and dignified working and living conditions for the workers at our construction sites who are employed by our contractors.
 <p><b>Build resilient infrastructure, promote sustainable industrialisation, and foster innovation</b></p>	CDL has contributed towards this goal by investing 2% to 5% of a new development's construction cost on sustainable designs and construction methods and committing to local and international certifications for quality green homes and offices. We also strive to introduce at least one innovation for every new development such as AgriCube at Lush Acres and extensive solar panels at d'Nest.
 <p><b>Make cities inclusive, safe, resilient, and sustainable</b></p>	By embedding the principle of Universal Design in all our developments, upholding EHS standards and driving innovations in smart and green lifestyle solutions. CDL is well positioned to support Singapore's aspiration to become a clean, green, smart and sustainable nation.
 <p><b>Ensure sustainable consumption and production patterns</b></p>	Through our sustained programmes to engage tenants, homebuyers, youths and members of the public through initiatives such as CDL Green Lease Partnership Programme, "Let's Live Green" outreach, EcoBank, North West Power Up Scheme, CDL actively advocates sustainable consumption through behavioural changes. We also uphold responsible sourcing along the supply chain through our Green Procurement Guidelines and by setting a target for 35% of our building material to be derived from recycled content, low-carbon sources, or are certified by recognised environmental organisations.
 <p><b>Take urgent action to combat climate change and its impacts</b></p>	Since 2008, CDL has established a target to reduce carbon emissions intensity across all our operations in Singapore. In 2015, we advanced our commitment with a Climate Change Policy, and have achieved a 19% carbon intensity reduction from baseline year 2007. We have also implemented a Greenhouse Gas (GHG) management system in line with ISO 14064-1, and have adopted the Sectoral Decarbonisation Approach in reviewing our existing targets in support of Singapore's climate goals and the COP21 Paris Agreement.
 <p><b>Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss</b></p>	CDL has taken steps to ensure the conservation of natural habitats and biodiversity by making it a standard practice during the planning stage of construction to conduct a Biodiversity Impact Assessment (BIA) and consult with environmental NGOs and agencies, where applicable. Moving forward, we are reviewing the implementation of a more rigorous Environmental Impact Assessment (EIA) for CDL's new developments in 2016.
 <p><b>Promote just, peaceful and inclusive societies</b></p>	CDL believes in creating a fair and inclusive society for our business to thrive and prosper in. Our steadfast commitment is evident in our 'zero-tolerance' policies and practices towards fraud and corruption, non-discrimination in hiring policy, as well as our corporate stance on human rights prohibiting child and forced labour in CDL's operations and supply chain. Legal compliance across all our operations is of utmost concern to our business.
 <p><b>Revitalise the global partnership for sustainable development</b></p>	As signatory to the UN Global Compact, and member to the World Green Building Council and Business Council for Sustainable Development Singapore, CDL has taken on an active and leading role in promoting best practices and enabling collaboration in advancing the CSR and green building agenda. We also further our advocacy efforts through participation in local and international forums.

CDL's Capitals	Material Aspects and Issues	Boundary and Impact	Applicable SDGs
All	<b>1 Compliance</b>	Applicable across CDL's business operations in Singapore and overseas. Compliance with legislations as well as national and international standards in areas including corporate governance, environmental, safety, product, and social responsibility are issues of interest to all our stakeholders.	
Financial, Social and Relationship, Human	<b>Economic Performance</b> <b>6 Economic Contribution to the Society</b>	The economic value generated by CDL goes beyond our strong financial performance. Our internal and external stakeholders are also concerned about the economic contribution made by CDL in communities we operate in.	
Natural	<b>Environment</b> <b>17 Climate Change and Emissions</b> <b>9 Energy Efficiency</b> <b>13 Water Conservation</b> <b>14 Effluents and Waste Management</b> <b>21 Environment-friendly Materials</b> <b>20 Procurement Practices</b> <b>12 Environmental Impact Assessment and Mitigation</b>	Applicable to CDL's operations in Singapore and overseas where our property development and facilities management activities have considerable impact on the environment. Environmental efficiency, management, and conservation are vital in addressing global environmental challenges and are important issues to all our stakeholders.	
Manufactured, Social and Relationship	<b>Product Responsibility</b> <b>3 Product Quality and Responsibility</b> <b>10 Certified Green Buildings and Office Interiors</b> <b>5 Customer/ Public Health and Safety</b> <b>8 Customer and Tenant Engagement</b>	CDL strives to maintain industry leadership by developing quality and responsible products and services in markets where we operate in. Ensuring our homebuyers' and tenants' health and safety, as well as satisfying their needs are important issues to all our stakeholders.	
Social and Relationship, Human	<b>Health and Safety</b> <b>4 Employee Health and Safety</b> <b>7 Contractor Health and Safety</b>	Applicable to CDL's operations and supply chain in Singapore, workplace and customer health and safety are amongst the highest concerns to all our stakeholders.	
Organisational	<b>Social Responsibility</b> <b>2 Anti-corruption and Anti-fraud</b>	Preventing and managing risks associated with fraudulent and corrupt practices across CDL's operations and supply chain is a key concern to all our stakeholders.	
Social and Relationship	<b>Social Responsibility</b> <b>18 Community Engagement</b>	Building partnerships with our stakeholders and community contributes to CDL's social licence to operate and is highly relevant to many of our stakeholders.	
Human	<b>Labour Practices and Decent Work</b> <b>19 Labour-management Relations</b> <b>16 Training and Education</b> <b>11 Wages and Local Hiring</b> <b>15 Non-discrimination and Diversity</b>	Equitable and fair employment practices are important to our employees, investors, regulators, and community as they affect our ability to attract, retain, and develop local talents under the direct hire of CDL's offices and operations in Singapore.	
	<b>Human Rights</b> <b>22 Anti-child Labour</b>	Prohibition of child labour is an issue of increasing concern to some of our stakeholders as CDL continues to expand operations to high-risk markets outside Singapore.	

# INTEGRATED STRATEGY FOR VALUE CREATION

## REPORT PERIOD AND SCOPE

The CDL Integrated Sustainability Report is CDL's ninth standalone sustainability report. It is our latest annual publication dedicated to providing information on financial, social, and environmental performance that are material to CDL's business and key stakeholders. Our last report was published in May 2015.

This Report contains a full year's data from 1 January to 31 December 2015 and focuses primarily on operations owned and managed by CDL's Singapore headquarters, excluding that of our subsidiaries. The scope covers our principal business as a property developer comprising operational functions such as project development as well as property and facilities management of residential and commercial developments, and our corporate headquarters in Singapore. In 2015, property development was the main contributor to CDL's pre-tax profit.

Since 2015, we have expanded the reporting scope to include carbon emissions data from the following key subsidiaries:

- Hotels owned and managed by Millennium & Copthorne Hotels plc (M&C)
- CBM Pte Ltd
- City Serviced Offices
- Le Grove Serviced Apartments
- The Tower Club Singapore

M&C has 126 hotels with about 35,000 rooms globally, many in key gateway cities. While CDL has a 65% interest in M&C, the company has its own Board of Directors that oversees its policies and operations. The Board has adopted a number of policies, collectively referred to as Responsible Hospitality, which are designed to recognise M&C's wider impact on the communities in which it operates. M&C's CSR activities and full year carbon footprint are included in its Annual Report available at [www.millenniumhotels.com](http://www.millenniumhotels.com).

Monetary values in this Report are presented in Singapore dollars, which is CDL's functional currency. Where possible, we have provided up to five years of historical data for comparison.

CDL voluntarily discloses the information as we believe in upholding the principles of corporate transparency, disclosure, and communication with our stakeholders. Any variance in data from the CDL Annual Report 2015 is due to updates following the external assurance of this Sustainability Report. For additional information on our comprehensive initiatives on sustainability, please refer to our website [www.cdl.com.sg](http://www.cdl.com.sg).

\*G4-22, G4-23

## Report Content

In each reporting cycle, CDL's CSR Committee reviews the content of the Report to determine its relevance to our business. Efforts are also made to ensure that current and emerging material issues pertaining to sustainability and the interests of our stakeholders are addressed.

Other operational committees oversee existing management systems and certifications such as the ISO 14001 Environmental Management System, ISO 50001 Energy Management System, OHSAS 18001 Occupational Health and Safety Management System and Singapore Quality Class. Relevant targets and key performance indicators are established, tracked, and disclosed within this Sustainability Report.

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

## Reporting Boundaries and Standards

This Report is aligned with the reporting guidelines under the Global Reporting Initiative's (GRI) G4 Comprehensive option and its guidance for the Construction and Real Estate Sector. This Report is also prepared in accordance with G4 principles for defining report content, including:

- **Materiality:** focusing on issues that impact business growth and are of utmost importance to stakeholders;
- **Stakeholder Inclusiveness:** responding to stakeholder expectations and interests;
- **Sustainability Context:** presenting performance in the wider context of sustainability;
- **Completeness:** including all information that is of significant economic, environmental, and social impact to enable stakeholders to assess the Company's performance

This Report has successfully completed the GRI Materiality Disclosures service which verifies that the General Standard Disclosures G4-17 to G4-27 were correctly located in both the GRI Content Index and in the text of this Report. The GRI Content Index can be found on pages 94 to 100.

This Report also adopts the International Integrated Reporting Council's (IIRC) Integrated Reporting Framework by connecting social and environmental performance with business and financial impact

for a more meaningful and all-rounded corporate reporting. Centred around six capitals – Financial, Manufactured, Organisational, Social and Relationship, Human, and Natural – this approach aims to present a holistic picture to our investors and stakeholders on how the interrelation between our business and sustainability performance leads to value creation over the short-, medium- and long-term. CDL's value creation model is outlined on pages 12 to 13.

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

Our carbon footprint is calculated in accordance with the World Business Council for Sustainable Development and World Resources Institute's (WBCSD/WRI) Greenhouse Gas (GHG) Protocol, a Corporate Accounting and Reporting Standard. This protocol is considered current best practice for corporate or organisational emissions reporting, and we measure our emissions in three 'scopes':

- Scope 1 — direct GHG emissions from sources that are owned such as company-owned vehicles and refrigerants
- Scope 2 — GHG emissions from purchased electricity
- Scope 3 — indirect emissions such as our business travel, staff commute, and outsourced services

In addition to the GHG Protocol, our carbon emissions are also calculated based on The CarbonNeutral® Protocol, a set of guidelines to meet the global standard for managing our offset-inclusive programmes. The Protocol includes requirements for GHG assessments, emission reduction planning, carbon credit eligibility, management of carbon credits through registration and retirement, and communication of CarbonNeutral® programmes.

We use an operational consolidation approach to determine organisational boundaries. Data is consolidated from a number of sources, including our project sites and fuel use information, and is analysed centrally. Our baseline year is 2007 and our emissions are independent of any GHG trades.

In line with our continual efforts to monitor and review CDL's environmental practices against international best practices, CDL embarked on the stringent ISO 14064-1 for GHG verification in 2016 – becoming the first developer to do so in Singapore.

### Assurance

The CDL Sustainability Report 2016 continues to be externally assured to validate the accuracy and reliability of its content. Ernst & Young LLP (EY) was engaged to provide independent limited assurance of this Report. The assurance covered figures and statements found in this Report that are related to the Subject Matters approved by CDL's Chief Sustainability Officer and agreed as per the Assurance Statement. EY reviewed the underlying systems and processes that support the Subject Matters in this Sustainability Report. The assurance is in accordance with ISAE 3000, 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information'. The assurance, including the scope of work and conclusions, can be found in the Assurance Statement on pages 91 to 93.

For the first time, CDL's 2015 GHG emissions data has also been verified by Lloyd's Register Quality Assurance Ltd. (LRQA) in accordance with the requirements of ISO 14064-3 specification with guidance for the validation and verification of GHG assertions. LRQA's Assurance Statement, which is for the internal GHG report prepared by CDL, can be found on pages 88 to 90. To request for CDL's GHG report, please write in to our feedback channel.

### Accessibility

CDL continues to print only limited copies of this Sustainability Report as part of our environmental conservation efforts. Current and previous editions of the reports are available at [www.cdl.com.sg](http://www.cdl.com.sg).

### Feedback Channel

Feedback from our stakeholders is vital for us to continually improve our reporting and sustainability practices. We welcome your views, comments or feedback, which may be directed to:

Ms Esther An  
Chief Sustainability Officer  
City Developments Limited  
9 Raffles Place, #36-00 Republic Plaza,  
Singapore 048619  
Email: [csrenquiries@cdl.com.sg](mailto:csrenquiries@cdl.com.sg)



— FINANCIAL CAPITAL —

**INCREASE**

VALUE THROUGH  
SUSTAINED GROWTH

## FINANCIAL CAPITAL

Studies have shown that a company's ability to grow its earnings increasingly depends on intangible assets such as the quality of management, brand equity, natural, human and intellectual capital. A company's financial capital and its position in the market depend on its ability to generate competitive advantages and create economic value for its stakeholders and society at large.

Sustainability trends such as climate change, resource scarcity and demographic changes shape the competitive environment in which companies operate by introducing long-term sustainability opportunities and risks. We therefore view our business performance beyond short-term gains and the financial bottom line. Our conviction is to achieve a balanced triple bottom line for sustained growth.

In today's highly volatile business environment, CDL has, beyond sustained earnings, diligently embraced prudent financial management, capitalised on our assets and investments, and remain focused on growth strategies, to enhance shareholder value.

### MARKET REVIEW AND PERFORMANCE

Despite challenging market conditions both domestically and overseas, the CDL Group achieved a strong financial performance for the year ended 2015, registering a revenue of \$3.3 billion (FY 2014: \$3.8 billion). The decrease was largely due to the absence of revenue recognition from Executive Condominium (EC) projects as compared to revenue recognised in its entirety for the Blossom Residences EC in Q3 2014 upon its completion. Nevertheless, we delivered a resilient net profit after tax and non-controlling interests (PATMI) of \$773.4 million, comparable to \$769.6 million for FY 2014. Basic earnings per share stood at 83.6 cents (FY 2014: 83.2 cents) for FY 2015.

Since 2009, the Singapore Government has made several rounds of property cooling measures. The Total Debt Servicing Ratio which restricts potential buyers' borrowing capacity and Additional Buyer's Stamp Duty were perhaps the most drastic, and continue to adversely impact both sales volume and property prices across all residential market segments. CDL with our joint venture (JV) associates sold 674 units

including ECs at a sales value of around \$692 million for the year under review (2014: 1,378 units with total sales value of about \$1.4 billion), a reflection of the weak residential property market in Singapore.

The outlook for Singapore's residential property market remains challenging as the economic growth forecast remains soft while interest rates are on the rise. As of end 2015, the remaining supply of 24,546 unsold private residential units and 26,517 vacant private residential units will continue to put downward pressure on capital values and rentals while transaction volumes are expected to remain moderate.

We were acutely aware that our property development business was highly Singapore-centric and we needed to reposition ourselves to mitigate the imminent headwinds. Over the years, we have mitigated our risks through our diversification strategy, by focusing on overseas expansion, developing unique investment platforms and funds management products, for a more balanced and diversified portfolio.

In August 2010, we established our wholly-owned subsidiary – CDL China Limited, which now has four development sites in Suzhou, Shanghai and Chongqing (two sites). In May 2013, CDL announced our plans for property development in United Kingdom (UK). To date, we have seven freehold properties in UK. Additionally, in September 2014, CDL also acquired the prime Shirokane site in Tokyo, where acquisition of land sites is extremely rare and difficult in Japan, and re-entered the Australian residential market in December 2015. These overseas projects require a gestation period for profit recognition in accordance with the respective accounting treatment. However, CDL anticipates the projects to bear fruit in terms of recurring profits from 2H 2016, starting with strong sales from the Phase 1 launch of our Suzhou Hong Leong City Center and the Hongqiao Royal Lake project in Shanghai.

CDL Group's total EBITDA\* is about \$1.3 billion. Our business today is one in which 71% of EBITDA and 51% of total assets (excluding tax recoverable and deferred tax asset) is from recurring income segments. We are de-risking our Singapore exposure and today, our overseas segment accounts for 27% of EBITDA and 45% of total assets, including our hotel portfolio under our London-listed subsidiary, Millennium and Copthorne Hotels plc (M&C).

\* Earnings Before Interest, Taxes, Depreciation and Amortisation

## FINANCIAL CAPITAL

### Key Financial Information

YEAR	2011	2012	2013 <sup>(1)</sup>	2014	2015
Revenue	\$3,280 m	\$3,354 m	\$3,213 m	\$3,764 m	<b>\$3,304 m</b>
Income tax paid	\$162 m	\$204 m	\$135 m	\$115 m	<b>\$128 m</b>
Staff costs	\$647 m	\$665 m	\$705 m	\$763 m	<b>\$836 m</b>
Profit before tax	\$1,136 m	\$960 m	\$948 m	\$1,004 m	<b>\$985 m</b>
Profit for the year attributable to owners of the Company	\$799 m	\$678 m	\$686 m	\$770 m	<b>\$773 m</b>
Return on equity	11.7%	9.3%	8.9%	9.2%	<b>8.6%</b>
Net asset value per share	\$7.51	\$8.03	\$8.50	\$9.25	<b>\$9.89</b>
Basic earnings per share	86.4 cents	73.2 cents	74.0 cents	83.2 cents	<b>83.6 cents</b>
<b>DIVIDENDS</b>					
<b>Ordinary dividend per share</b>					
– Final	8.0 cents	8.0 cents	8.0 cents	8.0 cents	<b>8.0 cents<sup>(1)</sup></b>
– Special interim	5.0 cents	–	8.0 cents	4.0 cents	<b>4.0 cents</b>
– Special final	5.0 cents	5.0 cents	–	4.0 cents	<b>4.0 cents<sup>(2)</sup></b>
Preference dividend per share	3.9 cents	3.9 cents	3.9 cents	3.9 cents	<b>3.9 cents</b>

Notes:

(1) The 2013 comparative figures were restated to take into account the retrospective adjustments arising from the adoption of FRS 110 – Consolidated Financial Statements.

(2) Final and special final tax-exempt (one-tier) ordinary dividends proposed for financial year ended 31 December 2015 have been approved by the ordinary shareholders at the Annual General Meeting held on 20 April 2016.

### PRUDENT CAPITAL MANAGEMENT AND SUSTAINABLE DIVIDEND POLICY

CDL's primary objective in capital management is to maintain a strong capital base so as to sustain investor, creditor and market confidence, and to continue to develop and grow our business.

We manage our capital structure and make adjustments to it, in light of changes in economic conditions.

For this purpose, CDL defines "capital" as including all components of equity, including non-controlling interests. To maintain or adjust the capital structure, CDL may adjust the dividend payment to shareholders or issue new shares or other financial instruments.

The Company's dividend policy aims to provide a return to shareholders at least once a year through

the payment of dividends, after taking into account the Group's financial performance, short and long-term capital requirements, future investment plans, general global and business economic conditions and any regulatory factors. The CDL Board endeavours to maintain a balance between meeting shareholders' expectations and prudent capital management with a sustainable dividend policy; and will review the policy from time to time and reserves the right to modify, amend and update the policy.

CDL monitors capital using a net debt equity ratio, which is defined as net borrowings divided by total capital employed. In 2015, we maintained a strong balance sheet with cash and cash equivalents of \$3.6 billion and a healthy net gearing ratio of 26%, without factoring the fair value gains on our investment properties, and 19% if fair value accounting is used. A strong position, together with banking facilities, provides us with capital to seize opportunities for acquisitions and other platforms for growth.

## Capital Management

	As at 31/12/2011	As at 31/12/2012	As at 31/12/2013 <sup>(a)</sup>	As at 31/12/2014	As at 31/12/2015
Cash and cash equivalents	\$2,603 m	\$2,162 m <sup>(c)</sup>	\$2,720 m	\$3,898 m	<b>\$3,565 m</b>
Net borrowings	\$1,816 m	\$2,357 m	\$2,589 m	\$2,820 m	<b>\$2,938 m</b>
Net gearing ratio <sup>(b)</sup>	0.21	0.25	0.25	0.26	<b>0.26</b>
Net gearing ratio – if fair value gains on investment properties are taken into consideration	0.15	0.18	0.18	0.19	<b>0.19</b>
Interest cover ratio	21.8 times	17.4 times	13.7 times	12.1 times	<b>13.0 times</b>

Notes:

(a) The 2013 comparative figures were restated to take into account the retrospective adjustments arising from the adoption of FRS 110 – Consolidated Financial Statements.

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

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

CDL's financial information is described in more detail in our Annual Report 2015. Current and previous reports are available at [www.cdl.com.sg](http://www.cdl.com.sg)

## FINANCIAL CAPITAL

### ACQUISITIONS AND EXPANSION

A key focus of CDL's growth strategy is to actively build our overseas platforms while seizing suitable opportunities in Singapore. Collectively, the Group's major international and domestic acquisitions in 2015 amounted to almost \$1 billion.

#### UK

CDL acquired the landmark Stag Brewery land site in Mortlake in December, within the London Borough of Richmond upon Thames in southwest London, for £158 million. The expansive 89,031 square metre (sqm) (approximately 22 acres) freehold site offers tremendous potential for redevelopment into a mixed-use scheme with a riverside residential belt.

The purchase comes on the back of CDL's £85 million acquisition of the Teddington Studios site in November, also located within the London Borough of Richmond. The 18,211 sqm freehold site will be redeveloped into a luxury riverside condominium.

With the two acquisitions, to date CDL has invested a total of £400 million in seven prime freehold properties in the UK, after successfully monetising Emerald House with a profit of approximately £5.7 million.

On the hospitality front, M&C acquired the world's only Beatles-inspired hotel, Hard Days Night Hotel in Liverpool, the UK, for £13.8 million. Located in the heart of Liverpool's Cavern Quarter, the hotel comprises 110 guest rooms and suites.

CDL Hospitality Trusts (CDLHT), M&C's subsidiary, acquired Hilton Cambridge City Centre (previously known as Cambridge City Hotel) in the UK, valued at £61.5 million. The acquisition of this upscale 198-room hotel, which is near popular tourist destinations, was a rare opportunity in a tightly-held investment market and marks CDLHT's first investment in Europe.

#### Australia

CDL also re-entered the Australian residential sector. In partnership with leading Australian developers, Abacus Property Group and KPG Capital, CDL will jointly develop a prime residential land site in Brisbane's highly sought-after South Bank precinct. CDL and Abacus will jointly provide the majority of the equity funding with CDL contributing a preferred equity interest of approximately A\$30 million.

#### Singapore

In Singapore, CDL and our JV partners won a tightly contested bid by a thin margin of 2.6% over 10 other bidders, for a 99-year leasehold residential site at Lorong Lew Lian for \$321 million. The 14,001.5 sqm site is located within walking distance of Serangoon MRT station and bus interchange. There are plans to develop a residential project of up to 13-storeys with over 500 units.

## FUNDS MANAGEMENT

One of our major milestones in 2015 was the successful execution of our second Profit Participation Securities (PPS) investment platform. Riding on the success of our first PPS launched in 2014, our second PPS involved a joint investment between CDL and Alpha Investment Partners Limited (Alpha) in a \$1.1 billion office portfolio comprising three of CDL's prime office buildings: Central Mall (Office Tower), Manulife Centre and 7 and 9 Tampines Grande. These assets were sold as 99-year leasehold tenures, and CDL retains upside from our long-term reversionary title for both Central Mall (Office Tower) and Manulife Centre, which are freehold and 999-year leasehold properties respectively. The assets have a strong occupancy average of 98% and a high-quality and diversified tenant base.

The total aggregated value of the securities issued in the PPS transaction is \$333.5 million. Alpha and CDL co-financed the portfolio in the ratio of 60:40. The investors will receive a fixed coupon payout of 5% per annum for a period of five years, in relation to a component of the PPS transaction involving the subscription of bonds. Two banks provided senior loan facilities of \$750.1 million.

When the assets are divested, the first priority will be to repay the bank borrowings, followed by repaying Alpha's \$200.2 million capital, then a preferred return to Alpha amounting to a total internal rate of return of up to 12.6% per annum (inclusive of the 5% annual coupon payment). CDL will then be repaid its \$133.3 million capital investment. Thereafter, whatever cash flows remain will be split between Alpha and CDL in the proportion of 40:60 respectively.

This initiative enabled the Group to recycle capital for our growth plans and realise the capital appreciation potential of our real estate assets. Through the partnership with our co-investor, CDL remains a substantial investor and continues to manage the three prime office assets. The Group now has \$2.6 billion in funds under management through our two PPS vehicles.

## LOOKING AHEAD

2016 will be a challenging year for businesses across many sectors as the global growth outlook remains dim. Domestically, the effects of oversupply, higher land and construction costs, and prevailing property cooling measures continue to dampen both demand and prices.

The Group is keeping a close tab on the Singapore property market, ready to seize opportunities with changing market conditions; and we are building value through geographical and product diversification.

We are well-poised to deploy our strong balance sheet towards acquisitions in a period of rising market dislocation, while maintaining discipline in our investments. We will continue to expand our international footprint in our five key markets – China, UK, US, Japan and Australia; capitalise the value of our assets; and grow our funds management platform.



— ORGANISATIONAL CAPITAL —

**INSTIL**

**RESPONSIBLE  
BEST PRACTICES**

## ORGANISATIONAL CAPITAL

### LEADERSHIP AND CULTURE

The Company has a strong commitment to the triple bottom line approach established by our late Deputy Chairman Mr Kwek Leng Joo two decades ago. Today the Company continues this strong DNA of doing well financially and doing good for the society and the environment, under the leadership of our CEO.

#### Refining our Vision, Mission and Values (VMV)

Our corporate VMV established since the mid-1990s has gained us good stead in directing our paths towards strong, ethical and sustained business growth. To complement the Company's business strategy in today's fast-evolving business environment, an enhanced set of corporate VMV has been set.

The refined VMV, proposed by our Top Management and approved by the Board in 2015, was the result of a rigorous process of internal consultations and gap analysis led by senior staff, Head of Departments (HODs), and a group of high potential employees. The new VMV can be found on page 9 of this report. The enhanced VMV will guide our actions in supporting the Company's new direction, expanded operating environments, and changing expectations of stakeholders, employees and customers.

A town hall involving all staff was held in April 2016 to launch the new VMV and our employees continue to share their stories of how they are applying CDL's VMV in their everyday interactions towards an enduring and sustainable business.

#### Setting the Tone for Communication through All Levels

Aligning our corporate culture and employees' commitment with the Company's strategic goals is key to our business performance and sustainability. We provide employees with clear directions through regular communication and review of processes at all levels. Our Senior Management and HODs, who are highly involved in setting the direction, meet regularly to look into key issues. Our review and communication channels include:

- Weekly Senior Management Meetings to discuss and review strategic initiatives
- Monthly HOD Meetings for operational updates and senior leaders' directions
- Quarterly Business Operations Meetings where frontline HODs review operational issues
- Quarterly Risk Management Committee (RMC) Meetings chaired by our CEO and attended by members of Senior Management and HODs in charge of the Company's strategic risks to provide updates, guidance and reporting of key risk issues. The RMC also reports quarterly to the Board Audit and Risk Committee (ARC)
- Regular taskforce meetings chaired by our CEO/ Group General Manager/Chiefs on matters such as CSR, ISO 14001, risk management, and tenant engagement
- CEO staff dialogues where our CEO will receive feedback from employees and share Top Management's vision for CDL
- Town hall and staff events throughout the year where Top Management communicates business directions and challenges, celebrates good results, and addresses employees' queries
- A structured induction programme where HODs brief new hires on their respective departments, while the Human Resources (HR) department shares on CDL's VMV and organisation
- CDL360, an employee communications platform updated with CDL's VMV, Code of Business Conduct and Ethics, corporate policies, HR initiatives, CSR information, Company-wide announcements and news about CDL

#### Aligning with Best Practices

We recognise that organisational capital is in general qualitative in nature and it may not be meaningful to quantify its performance. However, where applicable, we strive to align our policies and practices to best-in-class, international and national standards and rankings including:

- ISO 9001 – Quality Management
- ISO 14001 – Environmental Management
- ISO 14064 – Greenhouse Gas Emissions
- ISO 26000 – Guidance on Social Responsibility
- ISO 50001 – Energy Management Systems
- OHSAS 18001 – Occupational Health and Safety Management

## ORGANISATIONAL CAPITAL

- Singapore Quality Class
- Global 100 Most Sustainable Corporations in the World
- FTSE4Good Index Series
- Dow Jones Sustainability Indices
- MSCI Environmental, Social and Governance (ESG) Indexes
- Global Real Estate Sustainability Benchmark
- Channel NewsAsia Sustainability Ranking

Such structures and processes not only build institutional knowledge, but also facilitate continuous improvement to achieve a significant advantage in an increasingly competitive and challenging industry.

### CORPORATE GOVERNANCE

CDL remains dedicated to maintaining good corporate governance and business integrity in all its business activities, which is essential for the long-term sustainability of our business.

To demonstrate our promise in upholding the highest standards of corporate governance, CDL has joined the Securities Investors Association (Singapore) (SIAS) and its partners since 2010 in making the following public Statement of Support, which was reiterated at the 6th Singapore Corporate Governance Week 2015 (organised by the SIAS) in October 2015:

“As an Organisation, we are committed to upholding high standards of corporate governance to enhance shareholder value. We believe practising good corporate governance is central to the health and stability of our financial markets and economy.”

At the SIAS Investors’ Choice Awards 2015, CDL was conferred the prestigious “Most Transparent Company Award 2015” in the Real Estate category for our outstanding efforts in corporate disclosure and transparency standards. CDL’s Board was also recognised for its leadership in raising the bar for corporate governance with the Company winning the “Best Corporate Governance” award in the Real Estate Developer Sector (Asia) at the Ethical Boardroom Corporate Governance Awards 2015.

Our corporate governance practices are set out in CDL’s 2015 Annual Report with specific reference to the principles and guidelines of the Code of Corporate Governance 2012 (2012 Code). Where CDL’s practices differ from the principles and guidelines under the 2012 Code, the Company’s position in respect of the same is also set out in the Annual Report.

#### Board Matters

- Principle 1:** The Board’s Conduct of Affairs
- Principle 2:** Board Composition and Guidance
- Principle 3:** Chairman and CEO
- Principle 4:** Board Membership
- Principle 5:** Board Performance
- Principle 6:** Access to Information

#### Remuneration Matters

- Principle 7:** Procedures for Developing Remuneration Policies
- Principle 8:** Level and Mix of Remuneration
- Principle 9:** Disclosure of Remuneration

#### Accountability and Audit

- Principle 10:** Accountability
- Principle 11:** Risk Management and Internal Controls
- Principle 12:** ARC
- Principle 13:** Internal Audit (IA)

#### Communication with Shareholders

- Principle 14:** Shareholder Rights
- Principle 15:** Communication with Shareholders
- Principle 16:** Conduct of Shareholder Meetings

For the full Corporate Governance Report, please refer to the CDL Annual Report 2015.

## CORPORATE VALUES AND CONDUCT OF BUSINESS

The Board and Senior Management remain steadfast in conducting business with integrity, consistent with the high standards of business ethics, and in compliance with all applicable laws and regulatory requirements. This shapes a culture of responsibility among employees, with a system of checks and balances at all levels of the organisation.

### Code of Business Conduct and Ethics

CDL has an internal Code of Business Conduct and Ethics crystallising the Company's business principles and practices on matters which may have ethical implications. The code provides a communicable and understandable framework for staff to observe the Company's principles such as honesty, integrity, responsibility and accountability at all levels of the organisation and in conducting the Company's business and in dealings with customers, suppliers and colleagues. Employees can easily access the code on CDL's intranet.

The code provides guidance on issues such as:

- Conflicts of interest and the appropriate disclosures to be made
- The Company's stance against corruption and bribery
- Compliance with applicable laws and regulations including those relating to the protection of the environment and the conservation of energy and natural resources
- Compliance with the Company's policies and procedures, including those on internal controls and accounting
- Safeguarding and proper use of the Company's assets, confidential information and intellectual property rights, including the respect of the intellectual property rights of third parties
- Competition and fair dealing in the conduct of the Company's business, in its relationships with customers, suppliers, competitors and employees

### Internal Code on Dealings in Securities

CDL's internal code on securities trading sets out the implications of insider trading and provides guidance and internal regulation with regard to dealings in the Company's securities by its Directors and officers. These guidelines prohibit dealing in the Company's securities (a) on short-term considerations, (b) while in possession of unpublished material and price-sensitive information in relation to such securities, and (c) during the "closed period", which is defined as two weeks before the date of announcement of results for the first, second, and third quarter of the Company's financial year and one month before the date of announcement of the full-year financial results, and ending on the date of the announcement of the relevant results. The Directors and employees of the Company are notified in advance of the commencement of each "closed period" relating to dealing in the Company's securities. Employees can easily access the code on CDL's intranet.

## CORPORATE POLICIES AND GUIDELINES

In line with the Board's stance to maintain high ethical standards which are integral to our corporate identity and business, CDL has the following corporate policies and guidelines in place, which are publicly available on our corporate website ([www.cdl.com.sg](http://www.cdl.com.sg)) and intranet for easy access by all employees. The policies have also been disseminated to employees of CDL's key subsidiaries, where applicable.

### Anti-Corruption Policy and Guidelines

This set of policy and guidelines spell out the responsibilities of CDL's companies and employees in observing and upholding CDL's 'zero-tolerance' position against all forms of corruption, bribery, and extortion. It also provides information and guidance to employees on how to recognise, address, resolve, avoid, and prevent instances of corruption, bribery, and extortion which may arise in the course of their work.

### Fraud Policy and Guidelines

CDL provides guidance on actions which may constitute fraudulent conduct and highlights the importance of the implementation, maintenance, and compliance with the internal controls framework of the Group and its policies and procedures.

## ORGANISATIONAL CAPITAL

### Whistle-Blowing Policy

CDL has a whistle-blowing procedure which enables employees and other persons to raise in confidence, whether anonymously or otherwise, concerns on possible improprieties relating to accounting, financial reporting, internal controls, auditing or other matters, without fear of reprisal in any form. The ARC has the responsibility of overseeing this Policy, which is administered with the assistance of the Head of IA. Under these procedures, arrangements are in place for independent investigation and for appropriate follow-up actions to be taken.

To facilitate and encourage reporting, the Whistle-Blowing Policy together with the dedicated whistle-blowing communication channels (email and postal address as well as telephone contact numbers) are available on the Company's website and intranet, and are easily accessible by all employees and other persons.

Toll-free lines for callers from Singapore, China, and Thailand are now available. Direct email channels to the Board Chairman, CEO, and ARC Chairman are also available for reports involving any Director, Senior Management and the Head of IA.

### Personal Data Policy

CDL's Personal Data Policy serves to inform our stakeholders on how CDL manages personal data in compliance with the Singapore Personal Data Protection Act (No. 26 of 2012). Customers can contact our Data Protection Officer by mail, email, and phone on the following:

- Any questions, complaints or feedback relating to their Personal Data or our Personal Data Policy
- To withdraw their consent to our use of their Personal Data as set out in our Personal Data Policy
- To obtain access and/or make corrections to their Personal Data records under our control or in our possession

### Competition Policy and Guidelines

It is CDL's policy to compete fairly and ethically in the conduct of business in all our markets, and this Policy seeks to:

- Educate and improve our employees' knowledge and understanding of anti-competitive practices, conduct and acts which amount to an abuse of a dominant position in the market, which are prohibited
- Provide direction and guidance to employees in their relationships and communications with competitors and customers

### EHS Policy

CDL's corporate EHS Policy reflects our pledge towards a 'Safe and Green' culture. The Policy includes KPIs for departments contributing to our EHS performance. This ensures that we achieve a consistently high EHS standard across the organisation.

### Climate Change Policy

CDL supports Singapore's INDC of reducing its Emissions Intensity by 36% from 2005 levels by 2030, and to stabilise emissions with the aim of peaking around 2030. Based on existing procedures and policies demonstrating our duty to mitigate climate change, a Climate Change Policy was formalised on 3 March 2015.

### Corporate Statement on Human Rights

Advocating human rights is important to CDL. We recognise the need to look at the broader Singapore context and keep in mind the priorities and challenges of the industry. While CDL understands that the Company can only act within the scope of our core business activities, we ensure that the direction and outcome of our actions are constantly monitored and improved on.

In doing so, CDL:

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

In addition, CDL seeks to uphold fair and responsible practices and promote inclusivity in all our business activities, by effecting the following responsibilities along our value chain.

#### Pledge for Zero – A CEO Commitment Charter

CDL is a founding signatory of the “Pledge for Zero – A CEO Commitment Charter”, which was launched at the inaugural Construction CEO Summit organised by the Workplace Safety and Health Council in November 2008. CDL adopted the pledge and committed to establishing a zero-injury workplace. In 2010, CDL invited our builders and consultants to sign the pledge and collectively commit to raising EHS standards at our construction sites in Singapore. The commitment was renewed at the 11th Anniversary of CDL’s annual EHS Awards in 2015.

#### Employers’ Pledge of Fair Employment Practices

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

#### Green Procurement Guidelines

Reflecting our belief in more efficient use of resources, we have a set of Green Procurement Guidelines in place for the selection of vendors and suppliers at our Corporate Office and across our core business operations in Singapore. The guidelines include:

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

#### Supplier Code of Conduct

In August 2015, a Supplier Code of Conduct was introduced across CDL’s core business operations in Singapore. The Code provides comprehensive guiding principles for our vendors and suppliers to comply with CDL’s expectations of ethical standards, covering the following areas:

- Business integrity
- Fair competition
- Open communication
- Conflict of interest
- Gifts and entertainment
- EHS
- Legal compliance
- Human rights
- Reciprocity

#### Ethical Marketing Practices

Since 2000, we have developed a set of internal procedures and an operations manual for marketing and leasing. These are reviewed annually to reflect changes in marketing practices, technology, regulation, and stakeholder expectations.

Marketing collaterals produced by CDL are compliant with the Singapore Code of Advertising Practice administered by the Advertising Standards Authority of Singapore, an advisory council to the Consumers Association of Singapore.

CDL’s marketing practices also comply with the Urban Redevelopment Authority’s Housing Developers Rules (HDR) and Building and Construction Authority’s (BCA) Guidelines for Outdoor Signs at our construction sites. The HDR seeks to enhance transparency in the real estate industry, enabling homebuyers to make better informed decisions when buying a home, while the BCA guidelines prohibit cross-marketing of other products and services.

## ORGANISATIONAL CAPITAL

### Board Diversity Pledge

In July 2015, CDL supported the Board Diversity Pledge initiated by the Singapore Institute of Directors and SGX. By taking the pledge, the Company commits to promoting diversity as a key attribute of a well-functioning and effective Board.

This is in line with our belief that a diverse Board will enhance decision-making by harnessing the variety of skills, industry and business experiences, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service, and other distinguishing qualities of the members of the Board.

### Universal Design Policy

CDL develops a wide range of properties from mass market Executive Condominiums to luxury homes. Regardless of property type, we believe that resource-efficient buildings can be a differentiator. We also continue to embed the principles of Universal Design – “design for all people” in all our projects, over and above the mandatory requirements specified in the Code of Barrier-Free Accessibility by BCA.

Our design brief includes features that encourage community-building and social integration. Our Universal Design Policy, which is endorsed by CDL’s Top Management, provides the Company with a framework to achieve our objective of creating an inclusive built environment mindful of developing buildings that respond to differing customer needs.

### Procedures for Compliance

As part of CDL’s corporate governance process, all employees are required to complete a compulsory annual online declaration to acknowledge that they are aware of, have read, and are in compliance with the policies, standards, and practices as set out in the Company’s Corporate Policies and Guidelines. These Policies include the Code of Business Conduct and Ethics as well as policies and guidelines on Anti-Corruption, Fraud, Competition, Whistle-Blowing, Personal Data Protection, and EHS.

During the induction and training programme for all new employees, information is provided in respect of the Code of Business Conduct and Ethics and related corporate policies including Anti-Corruption, Fraud, and Competition.

Employees and other parties who have a business relationship with CDL can raise in confidence, whether anonymously or otherwise, concerns of non-compliance through any of the dedicated whistle-blowing channels which are available on the CDL website.

In 2015, CDL had no incidents of non-compliance with the Singapore Code of Advertising Practice, nor with laws and regulations for which significant fines or non-monetary sanctions were issued to the Company. There were also zero incidents of anti-competitive behaviour and monopoly practices within the Company.

CDL had no incident of fraud and corruption across our business operations in Singapore for the year of 2015.

## RISK MANAGEMENT

Risk management is a critical component to our business success. When fully embedded, risk management assumes an important component in all our business activities and serves as a beacon for our strategic planning and decision-making process.

### Board Audit & Risk Committee (ARC)

The Board has overall responsibility to ensure that the Company has the capability and necessary framework to manage risks in new and existing businesses, and that business plans and strategies accord with the risk appetite that the Company undertakes to achieve its corporate objectives. To assist the Board to discharge its role in risk management oversight, the ARC has been delegated by the Board to provide oversight and to review matters relating to the risk management policies and systems of the Company.

### Risk Management Committee (RMC)

The ARC's risk management function is assisted by the RMC, whose members comprise Senior Management and relevant HODs, Business Units and Corporate Functions. The RMC is responsible for ensuring the effectiveness of the risk management framework of the Company, with a mandate to focus on key strategic risks whilst also ensuring that the business units are held responsible for the management, monitoring and control of risks in their day-to-day operations. Since 2015, the RMC has also been provided quarterly risk reports from local operating subsidiaries, operations from China and Thailand as well as Millennium and Copthorne Hotels plc (M&C). This greatly enhanced the visibility of the ARC in operational risks outside Singapore while allowing a unified value of good corporate governance and risk management to be shared in our overseas operations.

### CDL's Enterprise Risk Management (ERM) Framework

The Company's ERM framework was developed to realise the value of risk management by providing an enterprise-wide view of the risks involved in property investment, development and management activities, and institutionalising a systematic risk assessment methodology for the identification, assessment, management and reporting of risks on a consistent and reliable basis.

The ERM function provides the RMC and Senior Management with regular updates on key strategic risks, assessment of key risk exposures and any new emerging risks that may require mitigations. It also assists the RMC to report quarterly to the ARC on overall strategic and operational risk positions, including mitigation measures, treatment plans, and the occurrence or potential occurrence of significant risk events.

The RMC and ERM regularly review the framework against international standards and best practices in risk management to establish a holistic, structured, and consistent process for the identification, assessment, evaluation, monitoring, and reporting of risks. Continuous training to build risk awareness and competencies, as well as systems and tools to operationalise the risk management framework are put in place to support this critical function.

The framework has categorised CDL's strategic business risks into the following main types:

- Operational risks
- Investment and portfolio risks
- Treasury and financial risks
- Human resource risks
- Crisis risks
- Information technology risks
- EHS risks
- Market risks
- M&C risks

For full details on each risk type, please refer to the Risk Management Report in CDL Annual Report 2015.

# ORGANISATIONAL CAPITAL

## Reviews and Improvements

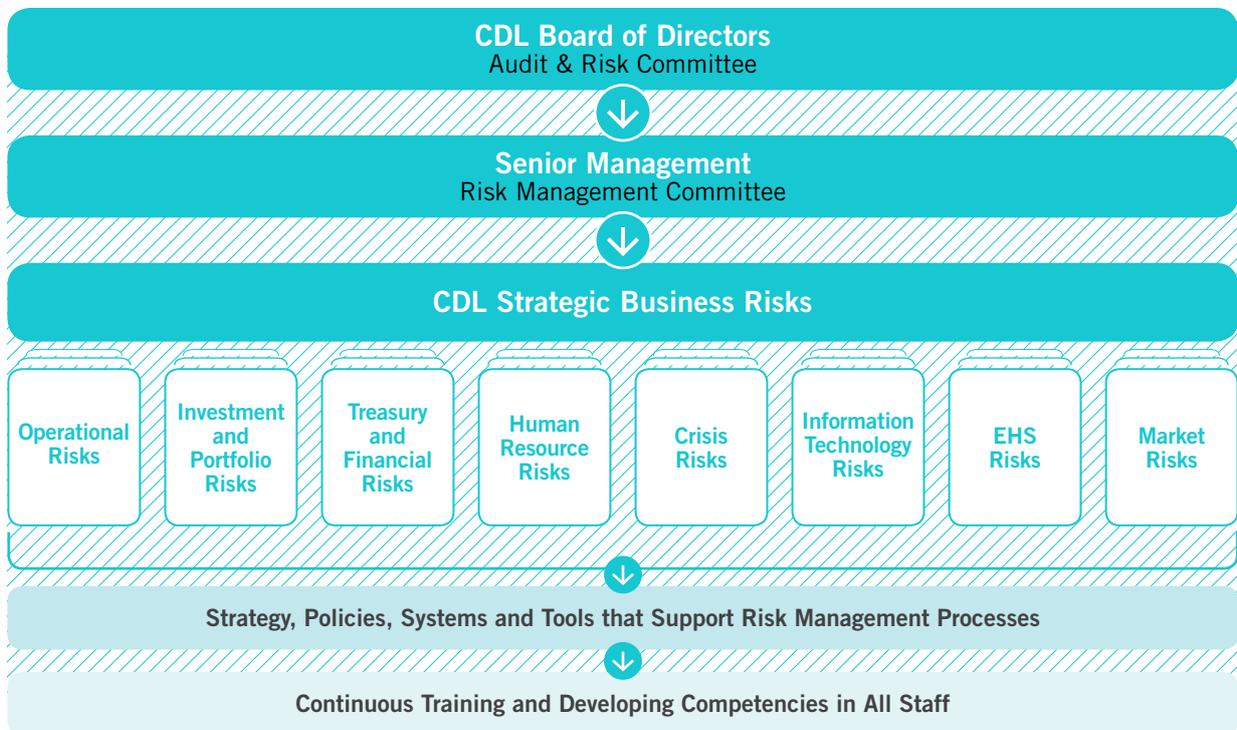
Against the backdrop of unprecedented global climate actions and public commitments, as well as our own pledge to comply with workplace health and safety standards, a review was conducted in 2015 to expand our EHS risk portfolio to include emerging risks that are material to our business:

- Climate change
- Water
- Raw material supply
- Workplace safety and health
- EHS legal compliance

Developed in 2014, the Control Self-Assessment (CSA) programme was fully implemented across CDL's core business operations in project development, property and facilities management as well as marketing and leasing in 2015. Promoting greater ownership and accountability,

the programme allows HODs and their employees to jointly assess their operating risks against established control measures, strengthen improvement areas and inculcate good governance at the operational level. The outcomes of each exercise were reviewed by Senior Management and independently validated by IA. This management-led initiative aims to enhance management assurance from bottom up, as part of CDL's ERM Framework to manage risks proactively and shift mindsets on the ground progressively. Plans are also underway to roll out the CSA programme to key local subsidiaries in 2016 and overseas business operations in 2017.

Risk management must be an ongoing process. Our RMC and ERM functions continue to look into global best practices and ways to sharpen our awareness of global trends, new threats and emerging technologies to mitigate long-term risks that may have a profound impact on our business sustainability.



### Identified Areas of Improvement

- ✓ Integrate risk management as a part of strategic and operational decision-making process within the Company by building a strong risk culture and instilling risk accountability and ownership at all levels
- ✓ Continual review of the effectiveness of the systems of internal controls to limit, mitigate, manage, and monitor identified risks
- ✓ Ensure that information required for effective risk management is delivered adequately and in a timely manner
- ✓ Build on and integrate into our existing governance and management systems the appropriate tools for effective management of strategic business risks which are reflective of changes in markets, products, technologies and embracing emerging global best practices
- ✓ Embed risk management into employees as part of our Company's value and culture

CDL strongly believes that the most senior executive in the Company sets the “tone from the top” towards risk management and instils an effective risk culture. This is crucial for the success of risk management at both operational and strategic levels. To reinforce the desired culture and to promote accountability and ownership at all levels, our management and employees are engaged regularly on risk management related activities such as risk identification and assessment workshops and topical talks by external consultants.

### MOVING FORWARD

CDL recognises that risks cannot be eliminated and can only be managed to acceptable levels. Nevertheless, we remain steadfast in continuously refining and improving our risk management framework, systems, and processes to ensure that risks are being well managed and monitored throughout the organisation, to thrive in an increasingly dynamic and changing business environment.

## BRAND AND REPUTATION

Beyond our policies, processes, and tacit knowledge, we value the positive reputation and deep trust in our brand gained through CDL's sustainability track record and achievements.

### Regional and International Achievements

#### Channel NewsAsia Sustainability Ranking (since 2014)

Named Top Property Developer in Asia, Top Singapore Corporation, and among the top 10 sustainable companies in Asia.

#### Dow Jones Sustainability Indices (since 2011)

Continued to be an index component on the Dow Jones Sustainability Indices (DJSI World and DJSI Asia Pacific). The first Singapore developer to be listed on DJSI.

#### Ethical Boardroom Corporate Governance Awards 2015 – Best Corporate Governance in the Real Estate Developer Sector (Asia)

Recognised for the outstanding leadership from CDL's Board and for raising the bar to ensure that strong corporate governance plays an essential part in protecting and enhancing long-term value for all stakeholders.

## ORGANISATIONAL CAPITAL

### Regional and International Achievements (cont'd)

<b>FTSE4Good Index Series (since 2002)</b>	Amongst an elite group of companies worldwide that meets globally recognised ESG standards.
<b>Global 100 Most Sustainable Corporations in the World (since 2010)</b>	First and only Singapore company to be listed for seven consecutive years in this prestigious global ranking announced annually at the World Economic Forum, Davos. At 10 <sup>th</sup> place, CDL is ranked the world's most sustainable real estate company in 2016, up from 34 <sup>th</sup> in 2015.
<b>Global Real Estate Sustainability Benchmark (GRESB) (since 2013)</b>	Achieved a Green Star ranking – the highest category of sustainability performance for GRESB, a leading global source of comprehensive portfolio level sustainability data for the real estate industry.
<b>MSCI ESG Indexes (since 2009)</b>	Received an AAA rating by MSCI ESG Research. The Indices are designed to represent the most prevalent ESG investment strategies.
<b>RoSPA President's Award for Occupational Health and Safety 2015 – Achievement Awards category</b>	Recognised for excellence in health and safety management by the UK-based safety organisation, the Royal Society for the Prevention of Accidents (RoSPA). Presented with the RoSPA President's Award for receiving 10 consecutive Gold Awards.
<b>STOXX® Asia/Pacific ESG Leaders 50 Index 2015</b>	Ranked as one of the Top 10 Components on the STOXX Global ESG Leaders Index for the Asia Pacific region.
<b>The Sustainability Yearbook 2016</b>	Listed on the yearly guide of the world's most sustainable companies in each sector based on the annual assessment conducted by sustainability investment specialist RobecoSAM.
<b>UN Global Compact 100 Index</b>	Only Singapore company selected as an index constituent based on the implementation of the ten UN Global Compact principles and evidence of executive leadership commitment and consistent base-line profitability.

## Local Achievements

<b>BCA – Singapore Green Building Council (SGBC) Green Building Individual Awards 2015 – Green Visionary Award</b>	A special pinnacle award presented to the late Mr Kwek Leng Joo in recognition of his visionary leadership and positive influence in Singapore’s green building movement and beyond.
<b>Great Place To Work® in Singapore – W.O.W! Special Mention Award</b>	The award recognises companies with progressive workplace cultures and good people practices, using the same methodology as “Fortune 100 Best Companies to Work For” in its selection and ranking.
<b>President’s Award for the Environment 2015</b>	The late Mr Kwek Leng Joo was honoured with the highest individual environmental accolade awarded by the Ministry of the Environment and Water Resources, for his outstanding contributions towards environmental sustainability in Singapore.
<b>SIAS Investors’ Choice Awards 2015 – Most Transparent Company, Real Estate category</b>	Presented annually by SIAS and supported by SGX, the award recognises CDL’s outstanding efforts in corporate disclosure and transparency standards.
<b>Singapore Quality Class (SQC) Star</b>	Accredited by SPRING Singapore, the certification was given to existing SQC organisations for demonstrating higher levels of performance in business excellence initiatives, processes, and results.
<b>Sustainable Business Awards 2015 – Land Use, Biodiversity, and Environment</b>	Organised by Global Initiatives in partnership with PricewaterhouseCoopers, the award recognises sustainable business best practices in reduction of negative impact on natural habitats and wildlife.
<b>Workplace Safety and Health (WSH) Awards 2015 – Developer and SHARP Awards</b>	Presented by the WSH Council and supported by the Ministry of Manpower, the annual awards recognise excellence in workplace safety and health. CDL is a proud recipient of the distinguished Developer Award for the eighth year, and four of its project sites were also accorded the SHARP (Safety and Health Award Recognition for Projects) award.
<b>2015 Patron of the Arts Award</b>	For the fifth consecutive year, the Award by the National Arts Council recognises CDL’s sustained contributions to the promotion and development of the arts in Singapore.

In addition to the above, CDL has also received numerous project-related accolades. More of CDL’s achievements can be found on our corporate website: [www.cdl.com.sg](http://www.cdl.com.sg).



— NATURAL CAPITAL —

# **INTENSIFY**

**EFFORTS IN ENVIRONMENTAL  
SUSTAINABILITY**

## NATURAL CAPITAL

A thriving, healthy natural environment is critical for the sustainability of businesses. The built sector has a high environmental impact – buildings use about 40% of global energy and resources and account for 30% of greenhouse gas emissions (GHG), the largest contributor. The Earth's natural resources are finite, and the availability of these resources directly affects our bottom line as well as our capacity to create safe and efficient spaces for our customers. As a developer and landlord, our operations heavily rely on natural resources including energy, water, wood and other building materials. The rising cost of these resources will have a high impact on the long-term sustainability and financial performance of our business.

Effective management of natural capital has long been a key priority for CDL. Since adopting the ethos of 'Conserving as we Construct' in 1995, we have put in place a host of policies and practices to mitigate our environmental impact. This aims to maintain strong natural capital for CDL, today and tomorrow.

The Environment sub-committee under the company-wide CSR Committee identifies significant environmental aspects and manages impacts that result from our corporate operations, property development and facilities management activities. Under the advice of our Senior Management, we continue to assess our material environmental aspects which include carbon emissions<sup>1</sup>, energy use, water use, waste, and resource management. In addition, we also monitor and report other aspects such as biodiversity and noise, which are important to some of our stakeholders.

### CLIMATE CHANGE AND EMISSIONS

In Singapore, the building sector is responsible for as much as 37%<sup>2</sup> of electricity consumption and is projected to contribute to about 13.8%<sup>3</sup> of Singapore's Business-As-Usual (BAU) GHG emissions by 2020. As a major developer and manager of property assets, CDL is committed to low-carbon operations through actions outlined in our Climate Change Policy on page 32.

As Singapore is a low-lying and densely populated island, the projected increase in average temperatures and rise in sea levels may pose a risk to our core activities. More frequent warmer days will result in increased demand for cooling and declining air quality in cities. These have implications on the property sector including increased demands on ventilation and air conditioning equipment, which will result in higher operating costs due to greater plant wear and tear and increased energy consumption.

Through our climate change adaptation initiatives, we reduce the risk of business disruption that may affect our customers and residents, and mitigate potential damage and costs associated with the repair and maintenance of our assets due to extreme weather and global warming.

### Measuring and Reducing Carbon Emissions

To track and mitigate our climate impact, CDL has established targets to reduce our carbon emissions intensity by 22% by 2020 and 25% by 2030, below BAU levels from the baseline year 2007. In 2015, CDL achieved a reduction in total carbon intensity emissions by 19%.

To better manage our carbon reduction efforts, we have implemented a GHG management system according to the requirements of ISO 14064-1, and have externally audited and validated our emissions computations in 2015. ISO 14064-1 is an international standard that specifies organisational-level principles and requirements for quantification and reporting of GHG emissions and removals.

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

<sup>1</sup> CDL's carbon emissions take into consideration all GHG emissions.

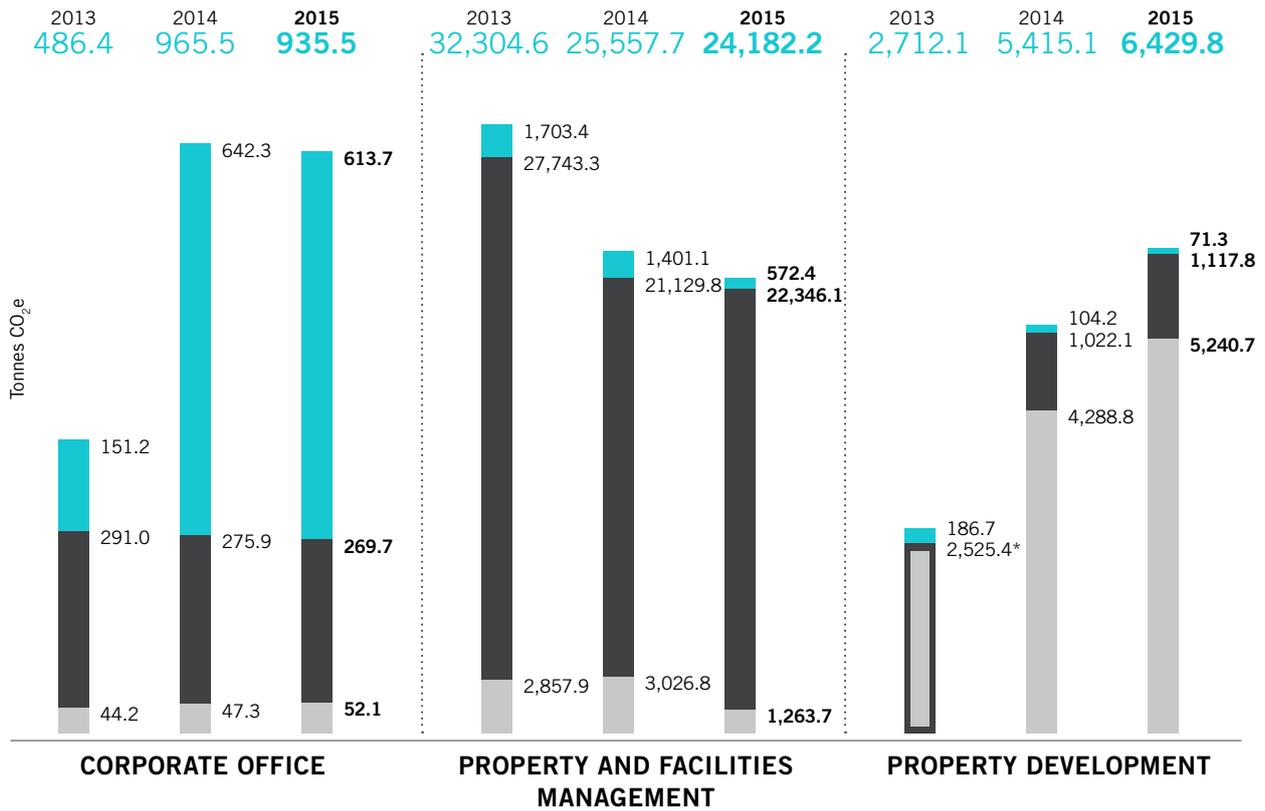
<sup>2</sup> Source: Energy Market Authority, Singapore Energy Statistics 2015

<sup>3</sup> Source: National Climate Change Secretariat website [www.nccs.gov.sg](http://www.nccs.gov.sg)

# NATURAL CAPITAL

## → Total Carbon Emissions from CDL's Core Business Operations in Singapore

● Scope 1 ● Scope 2 ● Scope 3



**Note:**

- Scope 1 Includes direct emissions from fuel used in power generators, petrol for company vehicles, and loss of refrigerant in air-conditioning systems.
- Scope 2 Includes indirect emissions due to purchased electricity consumed at CDL's Corporate Office, commercial, and industrial buildings as well as construction sites.
- Scope 3 Includes other indirect emissions arising from electricity transmission losses, local and international courier services, business travel and hotel accommodations, water usage at CDL's Corporate Office, commercial and industrial buildings, as well as construction sites, and employee commuting.

\* Before 2014, Scope 1 and 2 emissions were reported collectively.

## → Carbon Emissions Intensity from CDL's Core Business Operations in Singapore

● Scope 1 ● Scope 2 ● Scope 3



### Note:

**Corporate Office** CDL's Corporate Office in Singapore occupies approximately 6,618 m<sup>2</sup> across nine floors in City House and one floor in Republic Plaza. Measurement is applicable to all environmental performance reported in this section.

**Property and Facilities Management** In 2015, CDL managed 12 commercial buildings and three industrial buildings in Singapore, with an average monthly leased floor area of 249,008 m<sup>2</sup> and 25,815 m<sup>2</sup> respectively. Measurement is applicable to GHG calculations, with all other environmental performance reported in this section. Data before 2014 includes two industrial buildings, Pantech 21 and New Tech Park which were divested in November 2013.

**Property Development** While carbon emissions due to construction activities at CDL's development sites are a result of contractors' direct and indirect emissions, CDL recognises the significant environmental impact of these construction activities. In 2015, CDL measured and monitored the environmental impact and performance of its 15 construction sites in Singapore with a gross floor area of 209,915 m<sup>2</sup> built for that year. Measurement is applicable to all environmental performance reported in this section.

## NATURAL CAPITAL

The largest source of emissions was electricity usage at CDL-managed commercial and industrial properties, which accounted for about 75% of the Company's carbon footprint in Singapore.

### Improving Disclosure on Carbon Emissions

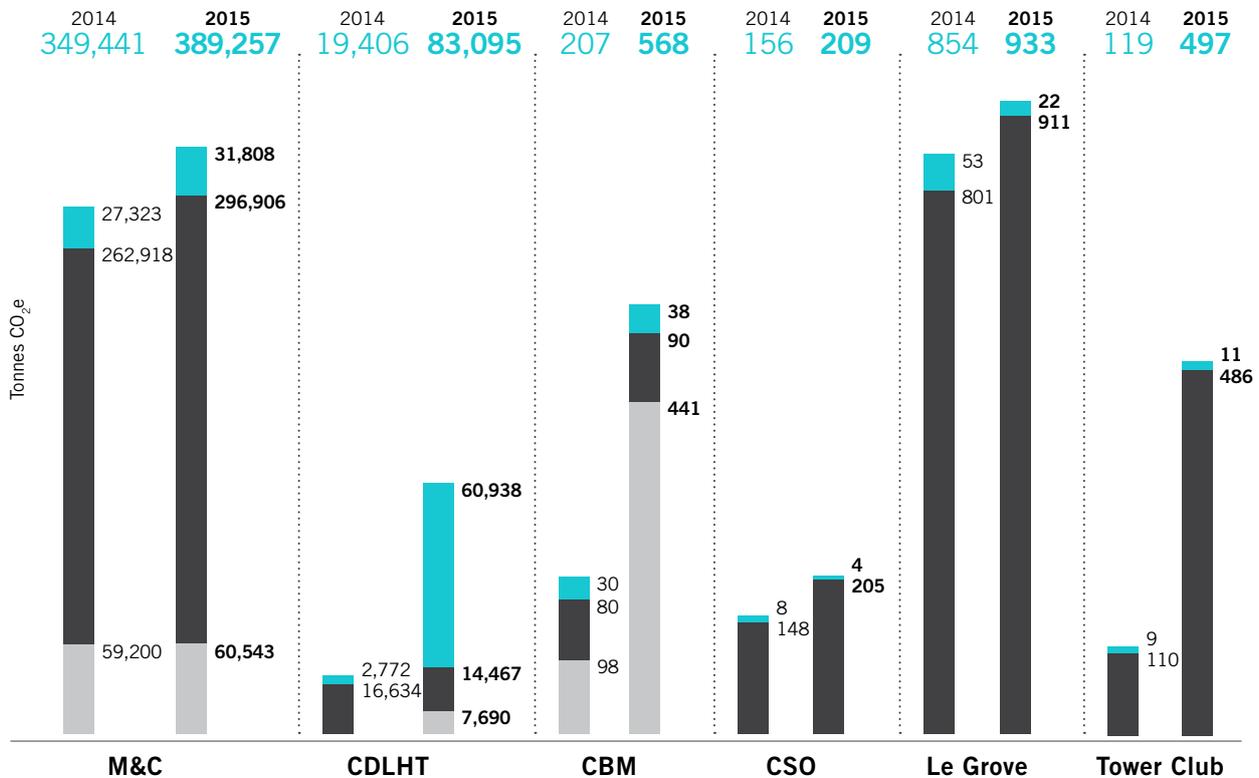
Even though the reporting of Scope 3 emissions is voluntary, we monitor and disclose the emissions to better assess their impact across the entire value chain and identify the most effective ways to reduce emissions. Since 2014, we have included hotel accommodations from business travels and employee commute in our calculations.

As a result of CDL's ongoing overseas diversification strategy, air travel from our Corporate Office has been increasing since 2014 due to the higher frequency of business travel. The Company advocates communication via audio or video conferencing where possible so as to minimise overseas travel.

For greater disclosure and accountability of the Group's carbon footprint, CDL has started to track and report the carbon emissions of our key subsidiaries in Singapore and overseas since 2014. The following table shows carbon emissions from the 126 hotels under Millennium and Copthorne Hotels plc (M&C) across 20 countries, CDL Hospitality Trusts (CDLHT), CBM Pte Ltd, City Serviced Offices (CSO), Le Grove Serviced Apartments as well as Tower Club.

### → Carbon Emissions from Key Subsidiaries

● Scope 1 ● Scope 2 ● Scope 3



## ENERGY MANAGEMENT AND EFFICIENCY

Property development and facilities management are energy intensive activities that use both electricity from the grid and diesel to drive generators. Any use of energy will inadvertently create a negative environmental impact – emissions, whether direct or indirect, contribute to global warming and air quality deterioration. The extraction of fossil fuels causes depletion of natural resources and potential oil spills may threaten delicate ecosystems.

As electricity constitutes a significant proportion of our assets' operating expenditure, improvements in energy efficiency enables us to reduce cost and

optimises our operational efficiency. Integrating energy efficiency considerations into the design and construction of our assets can also help to reduce the energy usage and electricity costs of our customers, tenants, and residents.

Initiatives to maximise energy efficiency are applied differently across our key business units and at different stages in the building's lifecycle. Each business unit has its own specific guidelines that detail the strategic initiatives, performance standards, and specific requirements relating to energy efficiency and climate change mitigation measures. These guidelines are to be considered in the design, construction, and operation of the assets.

### Energy Efficiency Focus Across Project Lifecycle

Stage in Project Lifecycle	Energy Efficiency Focus	Benefits
<b>Design</b>	Maximise use of natural lighting and ventilation	Reduce electricity consumption
	Use of solar energy for common areas where applicable	Reduce reliance on the grid and lower carbon emissions
	Use of energy efficient lightings in all common areas	Reduce electricity use through energy efficient equipment or fittings
	Include energy efficient home appliances in the units	
<b>Construction</b>	Use of electricity directly from the power grid supply to reduce the use of diesel generators	Reduce emission levels of carbon, sulphur oxides, nitrogen oxides and particulates
<b>Operation of assets</b>	Use of renewable energy where possible through installation of solar and Building Integrated Photovoltaic (BIPV) panels	Reduce reliance on fossil fuel energy
	Identify high energy usage installations to determine relevant initiatives, e.g. chiller upgrading or modernisation of lifts	Reduce electricity consumption through energy efficient equipment or fittings

By innovating, developing, and adopting energy efficient fixtures and renewable energy solutions in our properties, CDL seeks to reduce electricity consumption and contribute towards the property industry's know-how in green innovations for a low-carbon future.

In 2014, CDL became the first developer in Singapore to achieve the ISO 50001 EnMS certification for the provision of property and facilities management services in our managed buildings.

We also actively engage our tenants on the importance of energy conservation. In partnership with Tuas Power, an Automated Meter Reading portal was introduced in 2014 for our tenants to monitor their electricity use on a near real-time basis, allowing them to better manage their energy consumption. Incentives are provided by both Tuas Power and CDL to tenants with substantial reductions in energy consumption.

# NATURAL CAPITAL

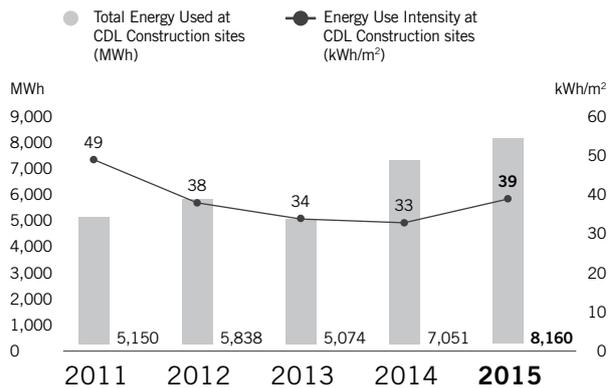
## Key Energy Initiatives in 2015

Energy Initiatives	Buildings	Savings
Solar and BIPV panels	Tampines Grande, City Square Mall, King's Centre and Quayside Isle	211,100 kWh/year, equivalent to almost \$46,000/year <sup>4</sup>
Energy efficient lighting	Manulife Centre, King's Centre, Central Mall (Office Tower), City Square Mall, City Industrial Building, Cideco Industrial Complex, Tagore 23	355,701 kWh/year, equivalent to almost \$78,000/year
Fan coil unit replacement	Palais Renaissance	8,099 kWh/year, equivalent to almost \$180/year

### Total Energy Used by CDL's Core Business in Singapore

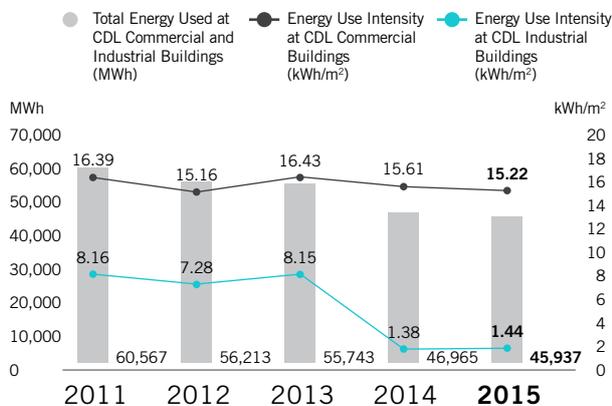


### Energy Used at CDL Construction Sites



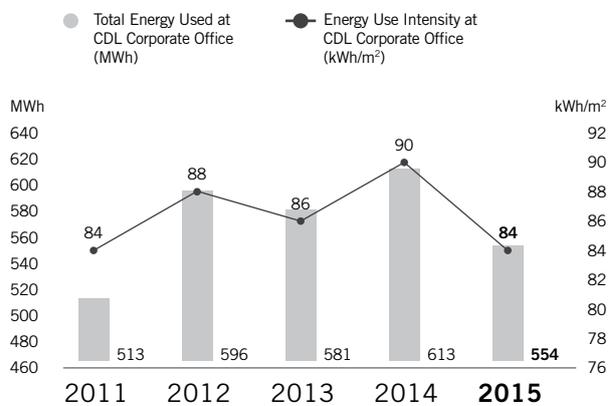
Note: Energy intensity figures for 15 CDL construction sites in Singapore are based on the built gross floor area for the projects in 2015.

### Energy Used at CDL Commercial and Industrial Buildings



Note: Energy intensity figures for 12 commercial buildings and three industrial buildings in Singapore are based on the leased area of the buildings.

### Energy Used at CDL Corporate Office



Note: Energy intensity figures are based on the floor area of the Corporate Office locations.

<sup>4</sup> Average electrical tariff in 2015 was \$0.2173. Source: www.singaporepower.com.sg

As a result of our energy-saving initiatives, CDL achieved a reduction of 27% for total energy use intensity in 2015 across all CDL commercial and industrial buildings against the baseline year of 2007.

In 2015, there were significantly more development projects at the intensive construction stages. This resulted in a 18% increase in energy use intensity at construction sites as compared to 2014. As projects are at different construction phases across the year, energy usage varies based on site activities. Due to site constraints, some projects faced difficulties switching to grid electricity from less efficient diesel-powered generators.

In 2015, CDL introduced targets to reduce energy use across our core business operations in Singapore by 22% by 2020 and 25% by 2030 from the baseline year 2007. For the year in review, CDL achieved 27% reduction in energy use intensity across the entire company, exceeding our 25% target set for 2030. This demonstrates our commitment to reducing our energy use intensity.

## WATER MANAGEMENT AND QUALITY

Water is essential in supporting life. It is an important resource for us to manage our assets and plays an important role in creating attractive, healthy, and efficient green spaces in which our customers want to live and work. The use of water in our business activities may reduce the availability of freshwater. As some of our core business activities result in degradative water use, pollution may occur if wastewater discharge is not managed properly.

Taking a strategic approach towards effective water management systems to minimise consumption and manage water quality is a key priority. We recognise the importance of effectively managing water consumption and the quality of rainwater run-off leaving our project sites. We acknowledge the significant benefits that arise from a strategic approach to water management and quality, as it enhances the efficiency, resilience, desirability and

long-term value of our assets and developments. Not only do they deliver significant benefits to the environment, but they also promote performance and cost efficiencies across our operations.

With climate change and a rapidly growing population, the demand for water is likely to surge in the next few decades. Even though Singapore is likely to become one of the world's most water stressed countries<sup>5</sup> come 2040, the national water agency, PUB, has built a robust and diversified water supply known as the 'Four National Taps'.

From the initial design stages all the way through to construction and management, CDL's developments are conceptualised with a strong focus on water sustainability. Such responsible water management practices allow us to deliver value to our customers through cost savings.

<sup>5</sup> World Resource Institute's Ranking of the World's Most Water-stressed Countries in 2040

## NATURAL CAPITAL

### Water Management Focus Across Project Lifecycle

Project Lifecycle	Water Management Focus	Benefits
<b>Design</b>	Use of water-efficient fittings and fixtures	Reduce water usage
	Use of recycled water and drought-resistant plants	Reduce potable water usage
<b>Construction</b>	Installation of self-closing taps	Reduce potable water usage
	Collection of rainwater for washing vehicles	
	Installation of systems to allow water recycling for site cleaning	
	Installation of silty water treatment system	Prevent silty water from being discharged into water systems
<b>Operation of assets</b>	Comprehensive use of water-efficient fixtures and fittings	Reduce water usage
	Use of NEWater for operations that do not require potable water	Reduce reliance on potable water

As part of the Environmental Management System objectives under ISO 14001, CDL tracks monthly water consumption against the respective targets for our key business processes.

CDL has also implemented a variety of Silt and Earth Control Measures at all construction sites to ensure that Total Suspended Solids (TSS) readings of the discharged water do not exceed the legal limit of 50 mg/litre. In 2015, the highest TSS level discharged across all 15 construction sites was 26 mg/litre, well below the legal limit.

In recognition of our significant contribution towards Singapore's water sustainability, CDL was one of the first recipients of the inaugural Watermark Award by PUB in 2007. Since the inception of PUB's Active, Beautiful, and Clean Waters certification in 2010, CDL has also been a pioneer winner for a number of our developments. To date, 14 of our buildings have been certified as "Water Efficient Buildings" by PUB for outstanding efforts in water conservation.

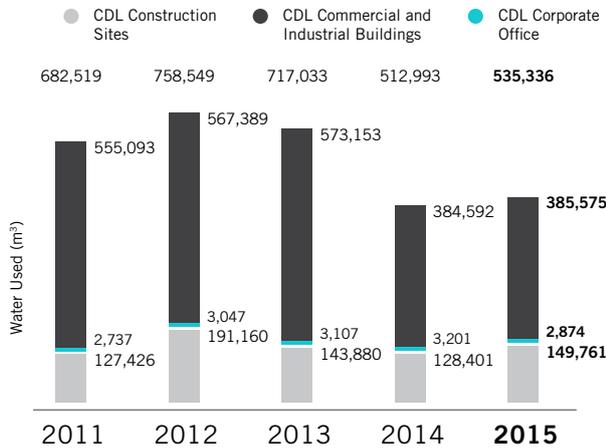
### Key Water Initiatives in 2015

Water Initiatives	Business Unit	Savings
<b>Water recycled for use at construction site activities</b>	Property Development	217,591 m <sup>3</sup> equivalent to more than \$450,000 <sup>6</sup>
<b>Use of NEWater instead of potable water</b>	Property and Facilities Management	Use of 131,098m <sup>3</sup> of NEWater, savings of about \$40,000 <sup>7</sup> as compared to using potable water

<sup>6</sup> Water tariff at \$2.0817 per m<sup>3</sup> before GST, inclusive of water tariff, water conservation tax and waterborne fee. Source: [www.pub.gov.sg](http://www.pub.gov.sg)

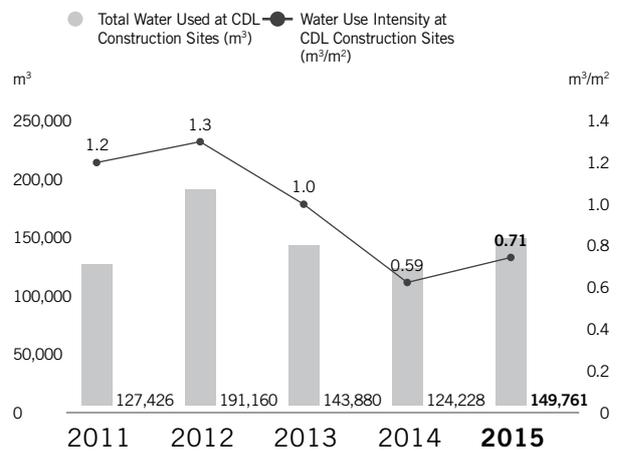
<sup>7</sup> NEWater tariff of \$1.7807 per m<sup>3</sup> before GST, inclusive of NEWater tariff and waterborne fee. Source: [www.pub.gov.sg](http://www.pub.gov.sg)

### → Total Water Used by CDL's Core Business in Singapore



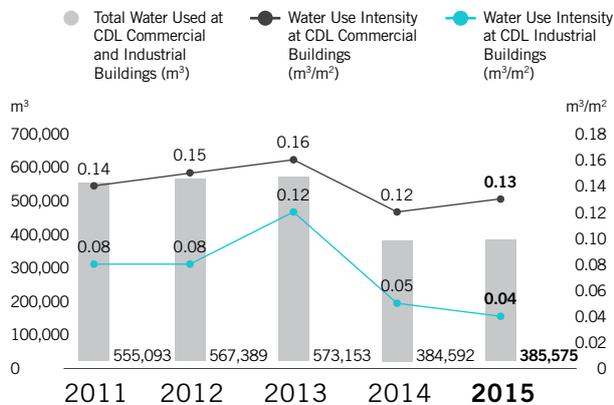
Note: Water intensity figures for CDL commercial and industrial buildings are based on the leased area of the buildings

### → Water Used at CDL Construction Sites



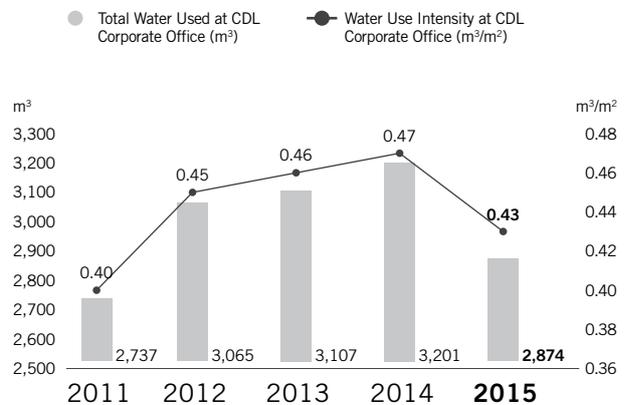
Note: 2015's water intensity figure is for 15 CDL construction sites in Singapore and is based on the built gross floor area for the projects in 2015.

### → Water Used at CDL Commercial and Industrial Buildings



Due to the higher water usage for the development projects nearing completion in 2015, our water use at construction sites increased by about 20% compared to 2014.

### → Water Used at CDL Corporate Office



To better manage our water use, CDL has established targets in 2015 to reduce water use intensity by 22% by 2020 and 25% by 2030, with 2007 as baseline year. We have so far achieved a 17% reduction in 2015, with more initiatives to be put in place to achieve our target in 2020.

## NATURAL CAPITAL

### WASTE AND RESOURCE MANAGEMENT

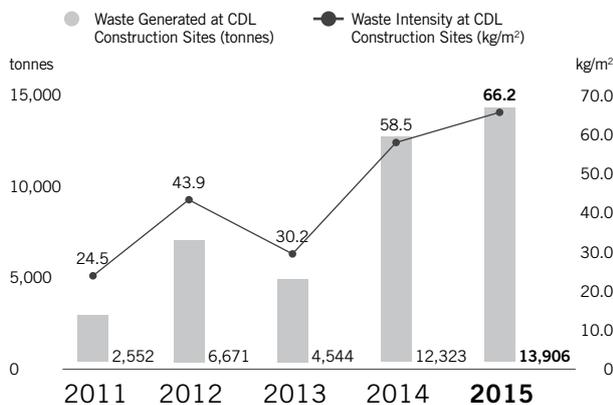
Waste generation, treatment and disposal have significant environmental impacts. Waste breakdown in landfills contribute to carbon emissions and leachates may contaminate groundwater and waterways, while incineration causes pollution issues and affects air quality.

CDL remains steadfast in managing our waste efficiently and seeks to reduce, reuse, and recycle our waste whenever feasible. As a property developer and manager, the bulk of our waste is generated by our builders and commercial tenants. Unless reused, demolition at the end of a building's life cycle can produce significant waste for land disposal. Here are some ways we practise the 3Rs – Reduce, Reuse and Recycle in waste management:

#### Waste Management Initiatives

Waste Management Methods	Initiatives	Benefits
<b>Reduce</b>	Adoption of Prefabricated, Prefinished Volumetric Construction (PPVC) technology for large-scale residential development	Generates less waste and paves the way for cleaner and safer construction sites
	Construction and Demolition Waste Policy since 2009 for the adoption of sustainable construction practices	Leads to builders' increased use of sustainable products and improved recycling rates for construction waste
<b>Reuse</b>	Reuse furnishing used in our show flats wherever the design or theme permits	Reduce waste generated and costs required to re-purchase materials
	Identify materials for reuse or recycling under the BCA's Demolition Protocol	
<b>Recycle</b>	Recycling programme for light bulbs	Reduce land pollution by diverting mercury away from landfills
	Recycling programme for commercial buildings and CDL Corporate Office	Reduce waste sent to incineration plants and the use of natural resources

#### Construction Waste Generated at CDL Construction Sites



Note: 2015's waste intensity figure for 15 CDL construction sites in Singapore are based on the built gross floor area for the projects in 2015.

In land-scarce Singapore, most general waste is sent to the waste-to-energy incineration plants. Incineration plants are capable of reducing the solid waste volume by 90%, and the incinerated ash is then transported to the landfill for disposal. Mindful that construction debris cannot be incinerated and are directly sent to the landfill, we are spurred to continuously invest in, innovate, and adopt leading-edge technology such as PPVC to significantly reduce construction waste.

All of CDL's generated waste is non-hazardous and disposed of in accordance with the NEA's waste regulations. In 2015, construction waste generated at all CDL construction sites amounted to 13,906 tonnes or 66.2kg/m<sup>2</sup>. This is higher than the previous years as many of our construction projects in 2015 were in the intensive building stage where greater volume of waste is expected.

## Waste Recycling at CDL Commercial Buildings

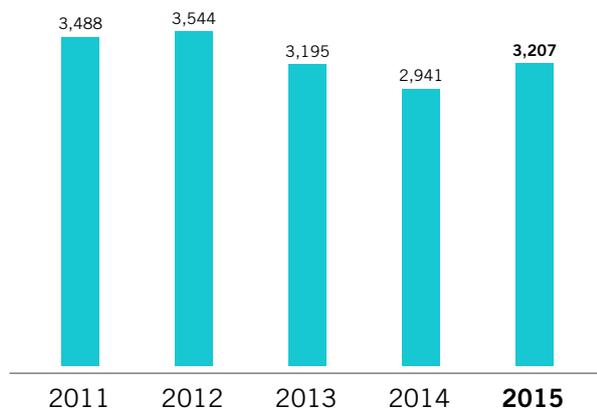
In CDL-managed buildings, 1,057 tonnes of paper was recycled in 2015. Our paper recycling programme has seen increasing tenant participation from 68% in 2005 to 94% in 2015. Under the lamp recycling programme with Global Lamp Recyclers, 14,459 lamps were recycled in 2015.

## Paper Consumption at CDL Corporate Office

The main source of waste generated at CDL Corporate Office is paper. To conserve forest resources, CDL has steadily reduced the use of paper over the years through usage monitoring, setting double-sided printing by default and encouraging electronic publications.

### Paper Use at CDL Corporate Office

➔ Number of A4 reams



## Responsible Material Use and Green Procurement

CDL understands that the development and management of buildings accounts for large quantities of material usage and waste. We therefore focus on material selection, specification, and construction management as ways to reduce the overall impact of our projects across their life-cycle. We acknowledge that the use of virgin materials can impact the environment and human health. By specifying the use of sustainable and healthy building materials in our developments, we are able to deliver tangible environmental, social, and business benefits.

Beyond our operations, CDL has also implemented a set of green procurement guidelines to promote responsible sourcing along our supply chain since 2008. Aligned with our corporate EHS Policy, the guidelines encourage the use of eco-friendly and recycled materials. An example is the use of non-toxic materials like low volatile organic compounds paint. All our builders, suppliers and vendors of new development projects are subject to these guidelines.

The top five building materials that were used in construction for the three developments that achieved TOP status in 2015 are: granite (209,714 tonnes), sand (146,639 tonnes), cement (73,231 tonnes), rebar and steelworks (26,254 tonnes), and granite or marble tiles (6,881 tonnes). In one of the projects, the H<sub>2</sub>O Residences, more than 30% of building materials used consisted of recycled content that were from low carbon sources, or were certified by recognised environmental organisations. The materials include premixed concrete, drywall partition, and laminate flooring.

## ENVIRONMENTAL CONSERVATION

### Investing in Environmental Protection

Testament to our commitment to environmental conservation, CDL has established a minimum target for all new developments to be certified BCA Green Mark Gold<sup>PLUS</sup>, beyond legislative requirements. To support this ambition, CDL currently invests between 2% and 5% of a new development's construction cost on green design and features, mitigating the environmental impacts of our buildings.

CDL also contributes to various non-governmental and grassroots organisations such as the Singapore Environment Council and Nature Society (Singapore), as well as youth-led environmental groups in support of their eco-outreach and education initiatives that drive environmental conversation and sustainability within the wider community. In 2015, CDL pledged to donate \$100,000 to the North West Community Development Council's "Power Up Scheme". More details can be found on page 75.

More information on CDL's partnerships and community investment in environmental conservation programmes can be found on pages 73 to 76.

## NATURAL CAPITAL

### Protecting Biodiversity and Natural Habitats

Property development is a key business activity for CDL and this presents both challenges and opportunities in environmental management. We develop new land for housing, including infrastructure and social amenities to create sustainable, thriving communities. Developments on greenfield sites can impact ecological communities, and protected or significant species.

As Singapore is highly urbanised, densely populated and land scarce, the Government views optimal land use planning as a crucial aspect of our nation's sustainable development. All of CDL's development projects are within the land allocated by the Urban Redevelopment Authority (URA) for home and commercial use and hence, none are located within protected areas. With proper planning by URA, the forests in Singapore are not commercially exploited for timber or other resources.

As an environmentally responsible developer, we are firmly rooted in minimising and mitigating the impacts of our developments on the natural habitats of wildlife and protecting the biodiversity of the surrounding environments. We appreciate that preserving biodiversity enhances the liveability and vitality of our communities in the long run.

We make it a standard practice to conduct a Biodiversity Impact Assessment (BIA) at our sites during the planning stage, where applicable. BIA helps to determine if any plant or animal life of national conservation importance exists at the intended development site and makes recommendations for environmental mitigation if necessary.

For the Brownstone EC which is located in an area of woodland and open fields, specialists were engaged to conduct a BIA onsite. The two-day field survey found 70 species of plants, 11 species of butterflies and 35 species of birds, of which three species – Long-tailed Parakeet, Changeable Hawk Eagle, and Grey Heron – were considered to be of conservation importance.

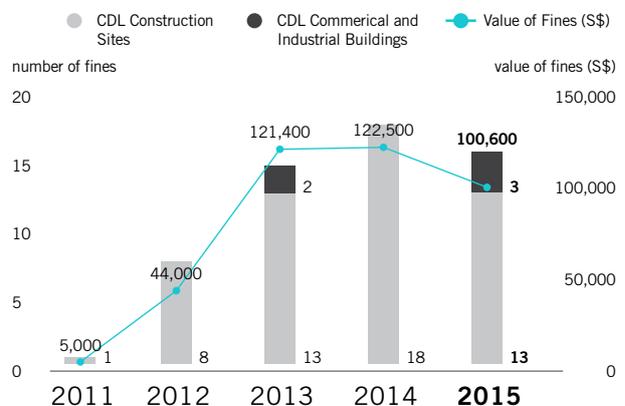
The development of the site is not expected to have a significant impact on the overall health of the natural populations of these bird species, as they would be able to find foraging and roosting sites in similar habitats nearby.

### ENVIRONMENTAL COMPLIANCE

CDL is committed to comply with all applicable legal requirements enforced by local governing authorities such as BCA, NEA, Ministry of Manpower (MOM), Singapore Civil Defence Force and other relevant enforcers. Through constant monitoring, evaluation, and auditing of our certified EHS management system, CDL actively ensures that all our activities and operations comply with existing regulatory requirements.

In 2015, 16 fines were imposed on our builders across 15 construction sites and three other fines were for our commercial buildings. Nine were for vector breeding, one for working beyond allowable hours, five for performing construction activities above the noise limit and one for safety infringement. Three stop work orders were received from NEA for mosquito breeding and one stop work order was received from MOM for work-at-height related safety lapses.

#### → EHS-Related Fines



Note: Amounts are based on the fines invoiced as of 31 December of the year in which the fines were incurred

To prevent future occurrences of non-compliance, we have reviewed and streamlined our current processes to improve and tighten the procedures at construction sites. Since 2005, we have incentivised our builders to uphold high EHS standards through the CDL 5-Star EHS Awards and monetary rewards. From 2013, a penalty system has been imposed on builders of all new developments for any EHS infringements. This was formulated as part of an ongoing review of our system and process to maintain good EHS performance.

To address public enquiries or complaints on EHS matters, phone hotlines managed by our builders were set-up at all construction sites.

### Managing Construction Noise

In Singapore, NEA regulates the noise levels from construction sites, with a set of permissible noise limits that vary depending on the time of the day and neighbouring premises. To protect nearby residents, we place emphasis on our builders to comply with the construction noise limits at all our construction sites. To minimise noise-related complaints, our builders are encouraged to put in place an active management programme and to take all necessary action to address and resolve related complaints.

As part of efforts to keep the community informed about project statuses, schedules of the construction process at each site are communicated to the community, to pre-empt them about the works that might affect them. More details on our public communications can be found on page 65.

## MOVING FORWARD

In line with Singapore's goal of becoming a climate resilient city and the growing international focus on low-carbon economies, CDL has adopted the Sectoral Decarbonisation Approach to review our carbon emission targets. This revision will align our targets with the COP21 Paris Agreement to keep the global temperature rise this century well below two degrees Celsius above pre-industrial levels.

With effect from 2016, we have also set a target for 35% of our building materials to be derived from recycled content, low-carbon sources or those certified by recognised environmental organisations.

To minimise the onsite environmental impact of our construction activities, CDL will be embarking on an Environmental Impact Assessment (EIA) for an upcoming development site. Compared to a BIA, an EIA offers a more comprehensive assessment of our construction activities' impact onsite. Beyond this pilot, we will continue to study the application of EIA for CDL's future developments.



— MANUFACTURED CAPITAL —

# **INNOVATE**

**FOR SMART  
GREEN SPACES**

## MANUFACTURED CAPITAL

Creating quality spaces for people to live, work and play in lies at the heart of CDL's business. Building on our expertise and experience as a pioneer developer since 1963, strategic efforts have been put in place to enhance CDL's brand and product differentiation. This helps us sharpen our competitive edge in an intensely competitive market. Our quality, innovative and green spaces have strengthened our manufactured capital, enabling us to create greater value for our customers and investors.

Over the years, our green building efforts have translated to tangible benefits for not only CDL, but also our homebuyers and tenants. Between 2008 and 2015, 57 of our Green Mark certified buildings achieved energy savings of more than \$31 million. This includes savings passed on to homebuyers and tenants from our buildings' green features.

For over a decade, the Company has been investing between 2% and 5% of a new development's construction cost on green building design and features. Our promise to deliver quality green homes and commercial spaces was re-affirmed when CDL was awarded the Quality Excellence Award – Quality Champion (Platinum) by the BCA in 2015, earning us the distinction of being the only developer to have received this highest honour for three consecutive years.

As at end 2015, CDL has over 80\* BCA Green Mark developments and office interiors – the highest among Singapore developers. Besides tangible cost and resource savings, our pursuit of green building has built a strong reputation for CDL and generated goodwill amongst our stakeholders.

For the full list of CDL's Green Mark awarded developments and office interiors, please refer to page 60 and 61.

## VALUE OF GREEN BUILDINGS

Our commitment to sustainable development has gained traction as the business case for green investments becomes increasingly evident. According to the BCA Building Energy Benchmarking Report 2015<sup>1</sup>, certified green buildings have continued to outperform non-certified buildings in terms of electricity savings by as much as 15% for offices and 10% for retail properties.

We proactively adopt sustainable construction methods and integrate innovative technologies to enhance the environmental performance and financial value of our properties, as well as create comfortable green homes. To optimise resource and cost-savings, sustainability considerations are factored into the entire lifecycle of our developments, starting from land acquisition and design to construction and building management.

Our leadership approach towards green buildings has also allowed CDL to stay ahead and seize opportunities arising from emerging regulatory changes. Since 2011, CDL has set a minimum target for all its new developments to be certified BCA Green Mark<sup>2</sup> Gold<sup>PLUS</sup>, beyond the mandatory Green Mark certification level. Today, close to 70% of CDL's portfolio of Green Mark certified developments and office interiors are rated Green Mark Gold<sup>PLUS</sup> and Platinum – the highest tier certification.

Besides complementing BCA's national target of greening at least 80% of Singapore's building stock by 2030, our steadfast commitment to green buildings has strengthened our licence to operate and earned CDL the priceless reputation as the built industry leader.

Testament to our relentless pursuit of green building excellence, CDL's Tree House condominium topped the Sustainable Development category at the FIABCI World Prix d'Excellence Awards 2015, winning us the World Gold award. Conferred by an international panel comprising real estate professionals and experts, the award recognises Tree House's eco-inspired design and energy-saving green features.

\* Includes subsidiaries and associated companies

1 Source: BCA Building Energy Benchmarking Report 2015 at [www.bca.gov.sg](http://www.bca.gov.sg)

2 Developed by BCA in 2005, the Green Mark rating is the national assessment system of green building performance based on key areas of energy efficiency, water efficiency, environmental protection, indoor environment quality and green features and innovation. Certified Green Mark buildings are re-assessed once every three years to determine if they maintain the Green Mark status.

## MANUFACTURED CAPITAL

Tree House is home to one of the world's largest vertical gardens, holding the Guinness World Record from April 2014 to June 2015. At 24-storeys tall, the garden provides natural insulation and lowers the energy needed to cool indoor spaces. It also helps to filter pollutants from the air.

According to a 2015 study by the National University of Singapore (NUS), the 48 west-facing bedrooms insulated by the vertical garden are expected to achieve air-conditioning energy savings of close to 98,000 kWh/year or about \$21,000<sup>3</sup> in electricity savings annually.

### Retrofitting Existing Buildings

Besides new property developments, CDL has set the pace for greening our existing buildings. A 2015 study by BCA<sup>1</sup> on 83 retrofitted buildings revealed an average total annual electricity savings of 16%, equivalent to about \$41 million in savings each year.

Since 2006, CDL has retrofitted all our existing commercial and industrial buildings by upgrading chiller plants, introducing motion sensors, installing energy-efficient lighting, and recladding facades. On average, these efforts have yielded estimated annual energy savings of around 14 million kWh, equivalent to more than \$3 million in 2015. These initiatives contributed to the Green Mark Platinum certification for 10 of our commercial buildings which have demonstrated improvements in environmental performance during the re-certification process.

For more details on CDL's energy management initiatives in 2015, please refer to page 45 in Natural Capital.

### Green Lease and User Engagement

Mindful that tenant and occupant activities within a building can account for close to 50%<sup>4</sup> of the total electricity consumption of a building, CDL's efforts go beyond green infrastructure to proactive steps to promote eco-friendly behaviour amongst our tenants. Since 2014, we have implemented the CDL Green Lease Partnership Programme to support our commercial tenants in reducing their energy consumption and environmental footprint.

A dedicated team of Green Lease ambassadors guide tenants on 'greening' their offices by giving advice on indoor greenery, as well as energy and water conservation measures. The team of ambassadors also act as consultants to help tenants achieve the BCA Green Mark Office Interior certification.

To enable tenants to better control and manage their energy usage, a real-time digital energy monitoring portal was launched in partnership with Tuas Power in 2014. As an incentive to encourage greater energy conservation amongst our tenants, CDL further introduced a 1% electricity rebate for commercial tenants who attain 2% savings over the previous quarter's bill. As of March 2016, over 90% of our existing tenants have pledged their commitment to the CDL Green Lease Partnership Programme by signing a Green Lease Memorandum of Understanding.

In recognition of CDL's sterling efforts and success in engaging our tenants on environmental sustainability, CDL was conferred three out of seven of the inaugural Green Mark Pearl Awards given during the BCA Awards 2015 – the biggest winner of this new category. CDL's City House also emerged as the sole winner of the top tier Green Mark Pearl Prestige Award for actively engaging with our tenants to use less energy through changes in behaviour and daily operations.

<sup>3</sup> Average electrical tariff in 2015 was \$0.2173. Source: [www.singaporepower.com.sg](http://www.singaporepower.com.sg)

<sup>4</sup> Source: BCA Building Energy Benchmarking Report 2015 at [www.bca.gov.sg](http://www.bca.gov.sg)



## SPOTLIGHT

### City House

- 23-storey office building, located within the Central Business District
- Gross Floor Area of 20,181 m<sup>2</sup>

#### Green Features and Retrofits

Green Features and Retrofits	Benefits
1. Upgrade of chiller plant	<ul style="list-style-type: none"> <li>• Greater efficiency</li> <li>• Requires less maintenance</li> </ul>
2. Air Handling Units with carbon dioxide (CO <sub>2</sub> ) and motion sensors installed along common areas	<ul style="list-style-type: none"> <li>• Maintain good indoor air quality</li> <li>• Conserve energy</li> </ul>
3. Water-efficient fittings installed at all toilets and pantries	<ul style="list-style-type: none"> <li>• Reduce operational costs</li> </ul>

#### Awards and Certifications

1. BCA Green Mark Pearl Prestige (70% of the nett lettable area certified)
2. BCA Green Mark Platinum Award 2014

#### Environmental Performance

1. Energy Savings: almost 1.2 million kWh of energy in 2015 based on retrofits since 2006
2. Reduction in CO<sub>2</sub> Emissions: close to 500,000 kg (based on Energy Management Authority (EMA) 2015 Grid Emission Factor)
3. Air Conditioning System Efficiency: 0.65 kW/RT (Average of existing buildings before retrofitting is 1.1 kW/RT<sup>6</sup>)

#### Cost Savings

- Energy savings of about 1.2 million kWh of energy in 2015, translating to about \$250,000

## DELIVERING QUALITY GREEN SPACES

The quality of our developments determines how well we perform in the marketplace. We recognise that each property purchase is a significant investment for our customers and we make it a priority to deliver on innovative green designs, high standards of workmanship, and buildability, without compromising on functionality or price.

Established in 1989, the BCA Construction Quality Assessment System (CONQUAS)<sup>5</sup> has been the industry benchmark for quality and workmanship standards of construction projects in Singapore. Although it is not mandatory for private sector projects to subscribe to CONQUAS, CDL has consistently made efforts to submit all its projects for assessment since the inception of the system. As a seal of our commitment to the highest quality standards, 368 Thomson became the first project to be awarded the CONQUAS STAR<sup>6</sup> rating under its eighth edition. Six out of the top ten private residential projects in the 2015 CONQUAS ranking were developed by CDL.

For three years in a row, CDL has also been accorded BCA's top honours for the Quality Excellence Award – Quality Champion (Platinum) for our sustained leadership and commitment to delivering quality homes.

## EMBRACING INCLUSIVITY THROUGH UNIVERSAL DESIGN

CDL stands firm in the principle of 'designing for all people' in all our projects. We do this over and above the minimum requirements specified in the Code on Barrier-Free Accessibility by BCA.

In 2015, Blossom Residences, 368 Thomson, The Glyndebourne, and Buckley Classique were recognised with the BCA Universal Design Mark Gold Award for imbuing user-centric philosophy into its design, operations, and maintenance. In addition, Coco Palms and The Venue Residences and Shoppes received the Universal Design Mark rating of Gold<sup>PLUS</sup> and Gold for its design respectively.

5 BCA CONQUAS is a de facto national standard assessment system on the quality of buildings based on three areas of Structural Works, Architectural Works and Mechanical & Electrical Works.

6 BCA CONQUAS STAR is accorded to a project that has attained a CONQUAS score of at least 95 points.

## MANUFACTURED CAPITAL

### PIONEERING SUSTAINABLE BUILDING INNOVATION

As Singapore's third largest contributor of carbon emissions, the built sector consumes up to 37% of electricity<sup>7</sup> and employs close to 326,000 foreign workers<sup>8</sup>. As part of our long-term strategy for environmental and supply chain management, CDL has invested in sustainable and more productive methods of building against the challenges of skilled labour shortage and rising cost of resources.

#### Driving Productivity through Technologies

For the upcoming The Brownstone Executive Condominium (EC), CDL became the first developer in Asia to apply the advanced construction technology, Prefabricated Prefinished Volumetric Construction (PPVC), for a large-scale residential development comprising 638 apartment units. Likely the world's largest application of PPVC for a residential project, some 5,000 building modules will be used. Apart from mitigating environmental impacts onsite, this technology is expected to raise productivity by over 40%, saving some 55,000 man-days.

Testament to the marketability of our innovative and green developments, The Brownstone emerged as the bestselling EC in 2015. The ground-breaking PPVC technology follows CDL's success in the early adoption of the Prefabricated Bathroom Units (PBUs).

The use of PBUs improves construction productivity by up to 80% and reduces construction waste while improving water tightness of the bathrooms. To date, CDL has installed more than 10,000 PBUs in our residential developments.

Since 2000's, CDL has also pioneered the use of drywalls which are easy to install and improve productivity compared with the conventional brickwall system.

For our efforts, all three Platinum accolades in the Projects category of the BCA Construction Productivity Awards 2015 were awarded to CDL's developments.

#### Innovating for a Smart and Liveable City

Since 2001, CDL has embarked on integrated smart-home solutions, starting with the introduction of the intelligent, interactive, and internet-ready i-Home concept for The Equatorial condominium. Over the years, we have continued to innovate and introduce smart-home features in our residential developments, creating living spaces that will improve on the quality of life and support Singapore's position as a leading international Smart City.

Smart solutions are also introduced at CDL-managed commercial and retail buildings. Some of our smart initiatives are detailed on the next page.

<sup>7</sup> Source: BCA Building Energy Benchmarking Report 2015 at [www.bca.gov.sg](http://www.bca.gov.sg)

<sup>8</sup> Source: MOM foreign workforce statistics for December 2015

Building and Coverage	Initiative	Features and Benefits
<b>Echelon (under development)</b>	Home Energy Monitoring System (HEMS) – first-of-its-kind smart home solution prototyped in collaboration with Daiwa House from Japan	<ul style="list-style-type: none"> <li>• Monitors home energy usage</li> <li>• Controls air-conditioners and lighting usage via hand-held smart devices like iPads</li> <li>• Home users can programme alerts that are triggered via email or SMS if energy usage exceeds pre-determined limit</li> <li>• Offers greater convenience and proactive energy management</li> </ul>
<b>H<sub>2</sub>O Residences</b>	Digital Smart Signage introduced in lift lobbies and club house	<ul style="list-style-type: none"> <li>• Offers easy content management</li> <li>• Instant broadcast of important estate messages via multimedia</li> <li>• Eliminates usage of paper versus traditional notice boards</li> </ul>
<b>All CDL commercial and retail properties</b>	Chiller Plant Optimisation System	<ul style="list-style-type: none"> <li>• Tracks performance and makes adjustments automatically according to the parameters</li> <li>• Ensures optimal efficiency at all times</li> </ul>
<b>City Square Mall Republic Plaza</b>	Web-based Remote Monitoring System for Chiller Plant Performance	<ul style="list-style-type: none"> <li>• Operators can remotely receive and monitor first-hand information of chiller system performance</li> <li>• System enables proper actions to be taken when deviation is detected</li> <li>• Drawing from our experience, we have embarked on an extended pilot with BCA for a chiller efficiency smart portal. Progressively, more buildings will be included for this pilot project.</li> </ul>
<b>City Square Mall Fuji Xerox Towers King's Centre Palais Renaissance Republic Plaza Tagore 23</b>	Carpark Lighting Motion Sensors	<ul style="list-style-type: none"> <li>• Auto dimming of carpark lighting to 30% during low usage</li> <li>• Lights will turn up to 100% when sensors detect movements</li> </ul>

## MANUFACTURED CAPITAL

### MOVING FORWARD

In support of the national vision for a smarter, greener, and more liveable Singapore, CDL is collaborating with the NUS School of Design and Environment to catalyse innovations in smart and green building technologies, which can be test-bedded in our future developments. Through two first-of-its-kind programmes – NUS-CDL Smart Green Home and NUS-CDL Tropical Technologies Laboratory (T<sup>2</sup> Lab), CDL will continue to champion leading-edge innovations in our project developments to add value to homebuyers by creating impactful solutions to meet their lifestyle needs in a tropical, urbanised environment.

Programme	Objectives
<b>NUS-CDL Smart Green Home</b>	Investigate human centred smart materials, technologies and knowledge platforms that lead to enhanced health and comfort, quality of life, and a sustainable and connected future
<b>NUS-CDL T<sup>2</sup> Lab</b>	Study new ideas relating to research themes such as “healthy and green living”: <ul style="list-style-type: none"> <li>• Explore the integration of passive and active building systems to achieve substantial reductions of carbon emissions</li> <li>• Examine the adaptability of the Singapore home to ageing, safety and security, work-life balance, and social and cultural expectations</li> </ul>

### BCA Green Mark Awards\* (2005 to 2015)

Green Mark Platinum	
<ul style="list-style-type: none"> <li>• 7 and 9 Tampines Grande (in new and existing building categories)^</li> <li>• 368 Thomson</li> <li>• Central Mall Office Tower+</li> <li>• CDL Green Gallery @ SBG Heritage Museum</li> <li>• City House+</li> <li>• City Square Mall (in new and existing building categories)^</li> <li>• Cliveden at Grange</li> <li>• Cube 8</li> <li>• Echelon</li> <li>• Eling Residences (Chongqing)#</li> <li>• Fuji Xerox Towers+</li> <li>• Gramercy Park</li> <li>• H<sub>2</sub>O Residences</li> <li>• HAUS@SERANGOON GARDEN</li> <li>• Hundred Trees</li> <li>• King's Centre+</li> </ul>	<ul style="list-style-type: none"> <li>• Lush Acres</li> <li>• M Social Hotel</li> <li>• Manulife Centre+</li> <li>• My Tree House</li> <li>• Palais Renaissance+</li> <li>• Quayside Isle</li> <li>• Republic Plaza+</li> <li>• South Beach Commercial</li> <li>• South Beach Residential</li> <li>• The Glyndebourne</li> <li>• The Oceanfront @ Sentosa Cove</li> <li>• The Residences at W Singapore – Sentosa Cove</li> <li>• The Solitaire</li> <li>• The Venue Residences</li> <li>• Tree House</li> <li>• Volari</li> <li>• W Singapore – Sentosa Cove</li> </ul>

## BCA Green Mark Awards\* (2005 to 2015)

### Green Mark Gold<sup>PLUS</sup>

- 11 Tampines Concourse (in new and existing building categories)<sup>^</sup>
- Blossom Residences
- Buckley 18<sup>\*\*</sup>
- Buckley Classique
- CDL Office — City House, Levels 2 and 5 (Green Mark for Office Interior)<sup>^</sup>
- CDL Office — City House, Levels B1 and 21 (Green Mark for Office Interior)
- CDL Office — City House Levels 19, 20 and 23 (Green Mark for Office Interior)
- CDL Office — City Square Mall Management Office (Green Mark for Office Interior)
- City Square Residences
- Coco Palms
- D’Nest
- Jewel @ Buangkok
- Livia
- New Futura
- Novotel Clarke Quay
- NV Residences
- Shelford Suites
- St. Regis Hotel and Residences, Singapore
- The Arte
- The Palette
- The Rainforest
- UP@Robertson Quay
- Wilkie Studio

### Green Mark Gold

- Botannia
- CDL Office — City House, Levels 3, 4 and 22 (Green Mark for Office Interior) <sup>^</sup>
- CDL Office – Republic Plaza, Level 36 (Green Mark for Office Interior) <sup>^</sup>
- City Square Shophouses at Jalan Besar
- Exchange Tower, Bangkok
- Grand Copthorne Waterfront
- Millennium Residences @ Sukhumvit, Bangkok
- Monterey Park Condominium
- New Tech Park (sold in November 2013)
- Nouvel 18
- One Shenton
- Orchard Hotel
- Parc Emily
- Residences @ Evelyn
- Savannah CondoPark
- The Sail @ Marina Bay
- Tribeca

### Green Mark Certified

- Butterworth 33
- The Pier at Robertson
- City Serviced Offices at Tampines Grande (Office Interior)
- City Serviced Offices at City House (Office Interior)
- Manulife Centre Management Office (Office Interior)
- Tampines Grande Management Office (Office Interior)
- Central Mall Management Office (Green Mark for Office Interior)
- Pantech 21 (sold in November 2013)

### Green Mark Pearl

- City House (Prestige)
- Manulife Centre
- 7 and 9 Tampines Grande

\* Includes subsidiaries and associated companies  
 \*\* Project managed by CDL  
 + Recertified in 2014  
 ^ Recertified in 2015  
 # Provisional certificate and will be confirmed upon completion



— SOCIAL AND RELATIONSHIP CAPITAL —

**INSPIRE**

**STAKEHOLDERS TO BUILD  
A SUSTAINABLE FUTURE**

## SOCIAL AND RELATIONSHIP CAPITAL

At CDL, we view social and relationship capital as the stock of resources created by the goodwill forged with our stakeholders and within the local and international communities that we operate in. To continuously build trust, we consistently manage our stakeholder relations through various platforms where we can mutually communicate views and concerns.

Our sustainable business model and strong track record of being an eco-developer and responsible corporate citizen have not only allowed us to attract like-minded partners and investors, but also a growing pool of consumers who consider sustainability more of an imperative than a value-add. The trust we have built with stakeholders beyond our shores also helps us gain foothold as we expand our international footprint. Strengthening our social and relationship capital is now even more essential and has far-reaching business impact beyond retaining our social licence to operate.

Anticipating and meeting the needs of our stakeholders is thus of utmost importance. As such, we invest considerable resources in building strategic collaborations with organisations from the Public, Private and People (3P) sectors to create greater value for our business and the community.

We define our stakeholders as groups that our business has a significant impact on and those with a vested interest in our operations. Our key stakeholders include employees, customers, builders and suppliers, and investors. Other groups include regulators and key government agencies, non-governmental organisations (NGOs), the media, and our community-at-large. They are mapped into groups based on their impact on the Company as detailed on page 15. Stakeholders' issues of interest are outlined on pages 64 to 65.



**The trust we have built with stakeholders beyond our shores also helps us gain foothold as we expand our international footprint. Strengthening our social and relationship capital is now even more essential and has far-reaching business impact beyond retaining our social licence to operate.**

## SOCIAL AND RELATIONSHIP CAPITAL

### STAKEHOLDER ISSUES OF INTEREST

Stakeholder Groups	Engagement Platforms	Issues Raised	Addressed in our Sustainability Report
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Regular dialogue sessions with Senior Management</li> <li>• CDL 360 – Company intranet</li> <li>• Daily news bulletin</li> <li>• Staff Connect an inter-department committee that organises company-wide activities to foster work-life balance and reinforce team spirit</li> <li>• Frequent employee activities</li> <li>• Employee volunteering platform – City Sunshine Club (CSC)</li> <li>• Biennial Employee Engagement Survey</li> <li>• Employee Assistance Programme (counselling service) and grievance platforms</li> </ul>	<ul style="list-style-type: none"> <li>• Training and development opportunities</li> <li>• Efforts to promote work-life balance</li> <li>• Remuneration and benefits</li> <li>• Employee welfare and well-being</li> <li>• Employee volunteerism</li> </ul>	Human Capital, Social and Relationship Capital
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Homebuyers – Temporary Occupation Permit (TOP)<sup>1</sup> Welcome Parties, Green Living Kits</li> <li>• Post-TOP customer satisfaction surveys</li> <li>• Tenants – Project: Eco-Office kits, recycling programme, 1°C Up campaign, Green Lease Partnership Programme, green fitting out kits</li> <li>• Annual tenant satisfaction surveys</li> </ul>	<ul style="list-style-type: none"> <li>• Workmanship</li> <li>• Design</li> <li>• Communication</li> <li>• Management of facilities</li> <li>• Customer experience</li> <li>• Environmental conservation</li> </ul>	Social and Relationship Capital, Natural Capital
<b>Builders and suppliers</b>	<ul style="list-style-type: none"> <li>• EHS Policy</li> <li>• Quarterly EHS audits and seminars</li> <li>• Annual EHS Awards</li> <li>• Declaration of EHS commitment through letter and pledge-signing</li> <li>• EHS risk assessments at concept, design and construction stages</li> <li>• CDL EHS Cup soccer league</li> <li>• Construction vision casting</li> <li>• Bi-annual vendor evaluation</li> </ul>	<ul style="list-style-type: none"> <li>• Design and quality</li> <li>• Occupational health</li> <li>• Safety practices</li> <li>• Workers welfare and well-being</li> <li>• EHS legal compliance</li> </ul>	Human Capital, Social and Relationship Capital, Natural Capital

<sup>1</sup> In Singapore, the Commissioner of Building Control will issue the TOP to a building project when it is completed. A building can only be occupied when a Certificate of Statutory Completion or TOP is granted.

Stakeholder Groups	Engagement Platforms	Issues Raised	Addressed in our Sustainability Report
<b>Investors, analysts and media</b>	<ul style="list-style-type: none"> <li>• Annual General Meetings</li> <li>• Biannual financial results briefings</li> <li>• Quarterly financial results announcements</li> <li>• Regular analyst and investor meetings</li> <li>• Media releases and interviews</li> <li>• Annual reports</li> <li>• Sustainability reports</li> <li>• Company website</li> <li>• Project launches (as required)</li> <li>• Timely and active response to ESG rating agencies and analysts</li> </ul>	<ul style="list-style-type: none"> <li>• Growth trajectory</li> <li>• Market diversification</li> <li>• Risk management</li> <li>• Corporate governance</li> <li>• EHS-related performance</li> <li>• Response to climate change</li> <li>• Sustainability reporting standards</li> <li>• Advocating green consumerism in Singapore</li> <li>• Programmes to advocate greener occupant behaviours</li> </ul>	Financial Capital, Social and Relationship Capital
<b>Government agencies and regulators</b>	<ul style="list-style-type: none"> <li>• Senior Management representation on boards of various industry bodies and sustainability-related public discussions</li> <li>• Regulatory readiness to the Singapore Government's commitment to manage carbon emissions</li> <li>• Longstanding partner of various national programmes</li> </ul>	<ul style="list-style-type: none"> <li>• Green building developments</li> <li>• Developing programmes to advocate greener occupant behaviours</li> <li>• Advocating green consumerism in Singapore</li> <li>• Collaborations to develop best practice toolkits</li> </ul>	Social and Relationship Capital
<b>Community</b>	<ul style="list-style-type: none"> <li>• Public communications plan with residents within a 100m radius of our new developments</li> <li>• Builders' contact details publicly displayed at construction sites to facilitate feedback from the neighbourhood</li> <li>• Sustainability reports</li> <li>• Participation in external conferences/forums</li> <li>• Corporate advertisements</li> <li>• Consultation and sharing with academics, NGOs, and business associations</li> <li>• "Beauty of Nature" calendar series</li> </ul>	<ul style="list-style-type: none"> <li>• Informing the surrounding community about our development plans and key construction works</li> <li>• Collaborations to raise eco-awareness amongst the community</li> <li>• Advocating best practices</li> <li>• Promoting youth engagement platforms</li> </ul>	Social and Relationship Capital

## SOCIAL AND RELATIONSHIP CAPITAL

### STAKEHOLDER ENGAGEMENT

#### Employees

Our employees are the key drivers of organisational knowledge and innovation – these are vital to building our competitive advantage. Consistent engagement of employees forms the foundation of CDL's long-term strategy for human capital development. Our initiatives to recruit and retain employees and develop their competencies are addressed in the Human Capital section, from pages 80 to 87. The following sections will focus more on our key internal staff engagement initiatives.

#### Regular Communication and Survey

CDL conducts an Employee Engagement Survey biennially to measure employee satisfaction and gather feedback. The survey provides insights into employee-related concerns including training and development, pay and benefits, as well as employee engagement and empowerment.

Our Company intranet – CDL 360, was upgraded in 2013 to provide an interactive platform for employees to receive and share information more readily and promptly, and includes key information such as employment terms, benefits, and corporate policies.

Through regular communication sessions such as dialogue with Senior Management, Meet-the-CEO sessions, and internal platforms comprising various working committees, CDL ensures that employees' views are always heard. Through the dissemination of City News, daily news bulletins, e-posters of employee activities, CSR News, webcasts of financial results briefings and Annual General Meetings, as well as employee circulars, employees are informed of the Company's business developments and activities. For more information, please refer to page 29.

#### Managing Employee Grievances

CDL has in place policies to address employee grievances in a prompt, fair, and impartial manner. Employees are guided by the Code of Business Conduct and Ethics, and the Whistle-Blowing Policy.

The latter deals with and protects the confidentiality of employees who whistle-blow on the Company's accounting, financial reporting, internal controls, and auditing matters.

Our Employee Grievance Handling Policy includes a comprehensive and structured three-stage procedure. Employees can escalate their grievances first to their immediate supervisor or HOD, followed by the HR Department. If the grievance is still unresolved, a Board of Inquiry consisting of the Group General Manager, a HR representative, and a neutral member of Senior Management will investigate and propose a final resolution. All discussions are documented in a Grievance Lodge Form and a follow-up report.

#### Advocating Greener Employee Lifestyles

To promote greener habits among employees, CDL organises regular in-house environment-related talks and activities, with various lifestyle angles and hands-on components.

In 2015, we registered an employee participation rate of about 60% for our green-related activities, an increase from 40% in 2014. This is based on attendance across activities such as an Earth Hour movie screening, a microgreen workshop, and a talk on Reduce, Reuse, and Recycle (3R) practices.

#### Customers

We believe that our financial viability hinges on customer satisfaction and our ability to meet customer demand for our products and service. As such, CDL regularly engages with homebuyers and tenants to understand their concerns and needs.

#### Delivering Exceptional Customer Experience

CDL was the first property developer to set up an integrated customer and call centre in 2001. We believe that word-of-mouth is one of the primary factors behind purchasing decisions and customers who receive a positive experience from us will become our brand advocates. From the moment they step into a CDL show suite to the handover of their keys, we aim to provide the support that

homebuyers require to make their purchasing process a pleasant one. Customers can easily contact us through various channels, mainly the hotline, site offices, and our website.

Customer-specific information on the progress status of projects under construction and related correspondence are also available on a secured online platform. There is also a structured approach to reviewing feedback and resolving complaints. Follow-up actions are then closely monitored and reviewed regularly at inter-departmental meetings.

### Engaging Homebuyers on Sustainable Living

CDL was the first private-sector property developer to launch an environmental outreach programme for homebuyers in March 2004. Following the attainment of the development's TOP, a special Welcome Party is organised for homebuyers. The Party comprises a host of activities, including talks and exhibitions on environmental conservation to encourage homebuyers to adopt greener lifestyles.

Apart from a sneak peek of their new estate, homebuyers also receive a special Green Living Kit containing information on the eco-friendly features of their new homes, green living tips, and eco-friendly gifts. In 2015, close to 1,900 Green Living kits were distributed and the average satisfaction rate for the "Let's Live Green!" talks and exhibition was 67%.

Moving forward, CDL will expand the eco-gift ideas to support the Sustainable Singapore Blueprint 2015's goals of turning Singapore into a smarter and more sustainable city.

### Measuring Customer Satisfaction to Improve Service Delivery

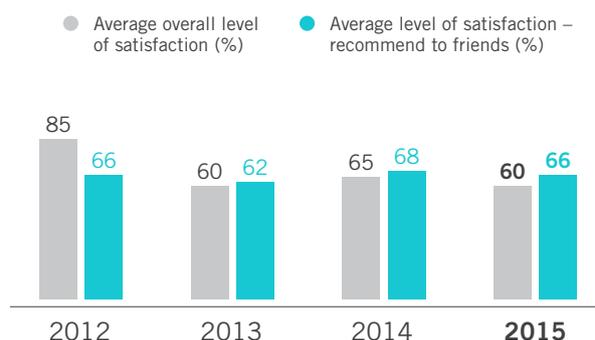
To improve our service delivery, CDL reviews customer satisfaction through formalised surveys. Our target is to achieve a 70% satisfaction rate from our homebuyers. For tenants, we aim to attain a satisfaction rate of 80% for our office/retail tenants and 70% for industrial tenants.

For homebuyers, an online customer satisfaction survey is administered at least six months after handover of the new apartment to measure their experience across various touch points and to solicit feedback and suggestions on project design, apartment features, as well as facilities and amenities.

Tenants at CDL's commercial properties are also surveyed annually. Through feedback, we can better understand customers' expectations and identify gaps for continual improvements. Some of our product refinement and service engagement initiatives have originated from customer feedback.

For example, progressive upgrading of toilets has been in the pipeline following feedback from tenants of City Industrial Building. To cater to the needs of a tenant whose clients are predominantly wheelchair bound, plans have also been made for one of the ground floor toilets to be converted to a handicap-friendly one. At City Square Mall, sustainable solutions to improve toilets with high usage have also been implemented. Such upgrading initiatives have helped to enhance the value and marketability of the properties.

### → Homebuyers' Satisfaction



### → Tenants' Satisfaction



## SOCIAL AND RELATIONSHIP CAPITAL

In 2015, customer satisfaction surveys were conducted for four of our residential developments and 34.6% of homebuyers participated. Our homebuyers were surveyed on levels of satisfaction with their entire experience, ranging from a property's finishes and workmanship, overall construction quality, green features provided in the home, facilities and landscaping at common areas, and management of defects rectification.

The average satisfaction level amongst all homebuyers surveyed was 60% in 2015. Over the years, we have noticed that the expectations of homebuyers have increased, particularly in finishes and workmanship.

Apart from existing homebuyers, CDL also solicits feedback from potential homebuyers who visit our project show suites. Respondents' feedback on the quality and finishes of the show suites, apartment configuration preferences, and service standards, are invaluable to our design refinement and project planning process.

As part of the quality assurance process, homebuyers are provided with a Defects Notification Form during handover of new apartments to provide feedback on defects in their unit. Defects reported are rectified within 30 days, where possible.

The progress of rectification is tracked closely and as at 31 December 2015, 77% of defects reported were rectified within 30 days. 66% of homebuyers also indicated that they would recommend CDL properties to their friends and relatives.

As a result of our Customer Service Department's attention to detail in rectifying defects, we have received positive feedback from homebuyers complimenting staff for their high service standards.



### SPOTLIGHT

#### Electronic Defect Management System

In 2015, the Customer Service Department implemented an electronic defects management system. With this system, homeowners are able to lodge unit defects, track, and acknowledge defect rectification using their mobile devices through the Novade Track app.

#### Features

- Defects are easily lodged using a drop-down list of locations, defect type and description
- Photos can be taken via the app to allow for easy identification of the defects
- Homeowners can request for joint inspection with CDL's Customer Service Officer through the app
- On completion of the rectification works, CDL's Customer Service Officer will arrange for a joint inspection with the customers to sign off via the mobile device
- App allows the contractors to view the reported defects

#### Benefits

- Productivity and accuracy of data have increased as employees do not have to input defects manually
- Defects lodged with photos allow for easy identification and minimise misinterpretation of reported defects
- Reported cases can be monitored via the web-based dashboard at the convenience of homeowners
- Ensures better customer experience and higher service standards
- Prompt follow-up by contractors with rectification works

Moving forward, the Novade Track app will be implemented for projects that will achieve TOP status in 2016 and 2017: HAUS@SERANGOON GARDEN, Jewel@Buangkok, Lush Acres, Echelon, The Venue Residences and Shoppes, and d'Nest.

### Safeguarding Customer Privacy

CDL protects the privacy and confidentiality of our customers' information. In addition to internal policies and procedures designed to safeguard customer information, CDL does not divulge or sell such personal information to third parties for marketing or promotional purposes. Our approach to personal data management is spelt out in the CDL Personal Data Policy which is publicly accessible on our website and outlined on page 32.

All employees are guided by CDL's Code of Business Conduct and Ethics, and the Company will mete out strict disciplinary action for any breach of customer confidentiality. In 2015, there were zero complaints regarding breach of customer privacy or loss of customer data.

### Engaging Tenant on Resource Efficiency

Findings from the BCA Building Energy Benchmarking Report 2015 have shown that tenant electricity usage accounts for 48% and 50% of electricity consumption in office and retail buildings respectively. To support our commercial tenants' efforts in reducing their energy consumption and environmental footprint, we implemented the CDL Green Lease Partnership Programme in 2014. A digital energy monitoring portal was jointly developed with Tuas Power to enable our tenants to better manage their energy usage.

In addition to the "green fit-out" guide issued to all tenants, we created a dedicated team of CDL Green Lease ambassadors to guide tenants on how they can create more environmentally-friendly premises by adopting sustainable designs, materials, fittings, equipment, and lighting fixtures. More importantly, the ambassadors helped identify energy-saving opportunities to lower tenants' operating costs.

As of March 2016, more than 90% of our existing tenants signed a Green Lease Memorandum of Understanding as part of lease renewal. CDL aims to achieve a 100% participation in our Green Lease Partnership Programme for both new and renewal agreements.

A number of our tenants have also taken their green journey a step further by achieving the Green Mark Office Interior certification. In recognition of CDL's sterling efforts in engaging its tenants to go green, BCA conferred CDL with three out of seven Green Mark Pearl Awards in 2015. CDL is the biggest winner of this new category. CDL was also the sole winner of the top-tier Pearl Prestige Award for outstanding commercial tenant engagement efforts. For more information, please refer to page 56.

### Protecting our Tenants' Health, Safety and Security

As a responsible facility manager, CDL actively identifies the significant hazards and manages the risks in all CDL-managed commercial buildings. A range of measures are in place to ensure public safety and security. Current security and loss prevention processes include traditional security measures of monitoring (CCTV and security guards), supplemented by emergency management procedures that are subject to continual review and improvement.

To ensure tenants' safety and security, every building is under the care of a Complex Manager who oversees daily operations with a team of full-time service providers, including security firms, providing 24-hour coverage.

For each building, there is an Emergency Response Plan (ERP) for known building-related emergencies such as flu epidemic outbreaks, fires, and major electricity outages. In view of Singapore's climate change risk, a flood management response plan for commercial buildings has been put in place since 2012. Besides two mandatory fire drills and two table-top exercises annually, CDL also conducts flood drills and other exercises to further enhance the preparedness at our buildings. With the threat of terrorism increasing significantly in the region, CDL is enhancing the current ERP to prepare for and respond to terrorist threats.

Since 2014, CDL has been organising complimentary health-screenings for tenants at selected commercial buildings to provide them with the convenience of having the checks conducted at their workplace.

## SOCIAL AND RELATIONSHIP CAPITAL

### Builders and Suppliers

CDL proactively influences and engages with key stakeholders in our value chain to embrace safe and environmentally-friendly designs as well as operational best practices throughout the life cycle of our buildings.

### Managing EHS along the Value Chain

When awarding a contract, CDL places considerable emphasis on the EHS culture and track record of suppliers and contractors. In key operations like project development and property management, major suppliers and builders shall meet the EHS pre-qualification criteria of appropriate bizSAFE certification. Almost 100% of the consultants and builders of CDL's developments in 2015 obtained both ISO 14001 and OHSAS 18001 certifications.

Since 2008, CDL has voluntarily committed itself as a founding signatory to the 'Pledge for Zero – A CEO Commitment Charter', an initiative by the Workplace Safety and Health Council. In 2010, we amplified our efforts by inviting our builders and consultants to collectively pledge their commitment to raise EHS standards at the construction sites.

At the 10<sup>th</sup> anniversary of the CDL 5-Star EHS Awards in 2014, a special event was held to engage CDL builders and their workers. Nine builders, which collectively employed over 6,000 construction workers across 16 CDL construction sites, signed a pledge to re-affirm their commitment to uphold workers' well-being, safety and health.

### Measuring Performance through CDL 5-Star EHS Assessment System

Since 2001, the CDL 5-Star EHS Assessment System – an independent audit tool to assess, measure, and improve the builders' EHS management and performance, was put in place to ensure a comprehensive, audited, and appraised EHS approach. All CDL builders undergo quarterly EHS inspections and audits conducted by an independent EHS audit firm recognised by MOM, and are appraised on a scale of one to five stars. Results are then presented to the management

and site supervisors of the builders and project consultants during the quarterly CDL 5-Star EHS Seminars. These seminars promote sharing of best practices and peer learning to encourage better EHS performance amongst the builders.

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

The Awards comprise the CDL EHS Excellence Award and the CDL Productivity Excellence Award, which was introduced in 2011 in support of Singapore's national productivity drive. In 2012, the CDL Workers' Welfare Award was introduced as part of our continuous efforts to align business practices with ISO 26000. To recognise exemplary workers who live the safety message and inspire fellow colleagues to be more safety-conscious, the Safe Worker Award was launched in 2014.

In the same year, we launched the CDL EHS Cup soccer league with the aim of promoting a healthy lifestyle and fostering camaraderie amongst our builders' workers. The league received favourable response and was held again in 2015.

### Upholding Workers' Welfare and Well-Being

Even though the workforce of builders does not come directly under CDL's supervision, their welfare and well-being are a priority to us. With that, we have put in place measures to ensure that our operations and that of our significant suppliers are not involved in unethical labour practices such as child or forced labour.

While onsite workers' housing is not encouraged, we accept that there may be circumstances under which this is necessary. As such, following the issuance of our Corporate Statement on Human Rights in 2012, workers' housing conditions was subsequently included in the CDL 5-Star EHS Assessment System, where applicable, after a trial run and refinement of criteria. The current assessment criteria follows requirements mandated by relevant government

agencies and goes beyond local compliance<sup>1</sup> to ensure that in instances where there are onsite workers' housing, workers are treated with dignity and respect. Workers' dormitories and facilities have to meet the minimum requirements stipulated in our guidelines.

CDL's appointed builders are expected to exceed compliance of local labour laws. They are responsible for taking all necessary measures to provide safe, clean, and dignified living and working conditions, without risks to the workers' health. For instance, vector and pest control programmes must be in place, and site offices and toilets must be equipped with basic amenities such as electricity, water, adequate lighting, and proper ventilation.

In our selection of consultants and suppliers, we place considerable emphasis on their EHS culture and track record. Upon their appointment, the top management of these qualified firms pledge their EHS commitment, which also serves as a further reminder for them to work with CDL to ensure high EHS standards at our projects.

In 2015, there were zero incidents and grievances of child and forced labour being reported at CDL construction sites and managed buildings.

For more information on CDL's position on Human Rights, please refer to page 80.

## Investors and Analysts

Businesses worldwide are impacted by the growing demand for transparency and accountability, including increasingly stringent requirements for sustainability reporting. Apart from growing company earnings and maximising shareholder returns, CDL prioritises quality and timely communication of our ESG performance to engage investors and analysts.

As an affirmation of our sustainability efforts and commitment to ESG tracking, disclosure, and reporting, CDL has been ranked the Top Real Estate Company and Top 10 in the prestigious Global 100 Most Sustainable Corporations in the World in 2016. For two consecutive years since the Channel NewsAsia Ranking was launched in 2014, CDL

has also been named Asia's Top Property Developer and Top Singapore Company. We remain the first Singapore corporation to be listed on three of the world's leading sustainability benchmarks – FTSE4Good Index Series (since 2002), Global 100 (since 2010), and Dow Jones Sustainability Indices (since 2011). Please refer to pages 38 to 39 for our performance across key global benchmarks.

Our Senior Management holds briefings with analysts and the media on CDL's half-year and full-year financial results. Financial statements and presentation slides are also available on SGXNET and CDL's website. A live webcast was also made available for our FY2015 results announcement. CDL also ensures that shareholders are notified of all material information in an accurate and timely manner.

In addition, the Senior Management takes an active role in investor relations, meeting local and foreign fund managers regularly as well as participating in local and overseas roadshows and conferences.

## Government Agencies and Regulators

### Feedback and Experience-Sharing

Participation in stakeholder consultations organised by key government agencies provides us with opportunities to weigh in on proposed regulatory changes that impact our business. Apart from cushioning the Company from the cost of regulatory alignment, engaging regulators and relevant industry bodies has enabled CDL to be attuned to industry challenges, placing us in a better position to capture existing and future opportunities for growth.

CDL is committed to full compliance with regulations. Our robust policies and procedures ensure that all our activities and operations comply with existing regulatory requirements through constant monitoring, evaluation, and auditing of our EHS management systems.

Over the years, CDL has been recognised as an example for best practices in sustainability, innovation, and productivity through our use of technologies that have gone beyond compliance.

<sup>1</sup> Local legislations mandate that quarters on construction sites have to meet the technical requirements of relevant government agencies, such as Singapore Civil Defence Force (SCDF), National Environment Agency (NEA) and BCA, to ensure safe and hygienic living conditions. More details can be found at [www.mom.gov.sg](http://www.mom.gov.sg).

## SOCIAL AND RELATIONSHIP CAPITAL

### Going Beyond Compliance

#### Regulatory Changes

#### CDL – Ahead of the Curve

##### **Sustainability Reporting:**

The Sustainability Reporting consultation paper released by the SGX in January 2016 proposed for companies to include a Board Statement in their Sustainability Report.

Ahead of SGX's "comply or explain" approach towards sustainability reporting which will take effect in 2017, CDL was the first Singapore organisation to produce a GRI-checked sustainability report in 2008. To align ourselves with SGX's proposed guidelines, CDL has also included a Board Statement in this dedicated Sustainability Report, as well as in the "Sustainability" section in CDL's 2015 Annual Report.

##### **Climate Change:**

Singapore's Intended Nationally Determined Contribution (INDC)

In July 2015, Singapore submitted its INDC to the United Nations Framework Convention on Climate Change. Singapore's INDC states that it intends to reduce its emissions intensity by 36% from 2005 levels by 2030, and stabilise its emissions with the aim of peaking around 2030.

Since 2011, CDL has set targets to reduce our carbon emissions intensity by 22% by 2020 and 25% by 2030 from business-as-usual levels in baseline year 2007. In 2015, we further introduced electricity and water intensity targets in 2015 – to achieve a reduction of 22% by 2020 and 25% by 2030 from baseline year 2007 across CDL's core business.

Workplace Safety and Health (Design for Safety) Regulations

Under the Design for Safety (DfS) regulations, all parties involved in construction projects worth \$10 million or more will have to comply with new safety rules from August 2016. A key requirement in the DfS regulations is the preparation of a DfS register.

Since 2003, CDL has in place a two-part EHS risk register at all our property developments. This register comprises the Design EHS risk register maintained by our architects, engineers and designers, and a Construction EHS risk register maintained by our builders.

In 2012, way before the DfS regulations were enacted, an additional Concept Design EHS Risk Register had already been incorporated at the planning stage of our developments.

#### Corporate Political Contributions

As outlined in our Anti-Corruption Policy, CDL has a corporate stance against using the Company's resources to make donations to political parties and political associations, or to candidates and/or election agents in a parliamentary or presidential election. Employees who intend to be involved in any political party are required to declare and seek Top Management's approval.

#### Trade and Industry Associations

To further the sustainability cause at home and abroad, CDL's Senior Management has been represented on various industry bodies and civil society organisations. Moving forward, CDL will continue to partner the industry and form collaborations in support of the Singapore Government's agenda of becoming a smart and sustainable city.

## Participation in Trade and Industry Associations

Agency	CDL Representation
Business Council for Sustainable Development Singapore	Founding Member Organisation
UN Global Compact	Signatory since 2005
Royal Institution of Chartered Surveyors (RICS) and UN Global Compact	Ms Esther An <i>Steering Group Member</i> <i>Best Practices Toolkit for Real Estate Sector</i>
Global Compact Network Singapore (GCNS) (formerly known as Singapore Compact for CSR)	Ms Esther An <i>Management Committee Member</i>
Singapore Green Building Council	Mr Chia Ngiang Hong <i>President</i>
Workplace Safety and Health Council	Mr Daniel T'ng <i>Chairman, Facilities Management Workgroup</i>
World Green Building Council	Founding Member Organisation, Corporate Advisory Board CDL representative: Ms Esther An

## The Community

Over the years, we have gone beyond shaping cityscapes to contributing towards community building. This has generated very strong social capital and goodwill for CDL in the communities we operate in. By actively initiating and supporting sustained outreach programmes in four focus areas – environmental conservation, youth development, the arts, and caring for the less fortunate – CDL aims to deliver a lasting and positive impact in the communities we operate in.

### Managing Community Impact

CDL understands that building activities at construction sites might pose inconveniences to the local community which we define as residents who live in the immediate vicinity of a construction site. Aside from complying with

applicable legal requirements, we require builders at our development sites to communicate with the community and offer avenues where the residents can give comments and feedback.

At all construction sites, hotline numbers and contact details are displayed on hoardings and signboards as an avenue for public feedback. Feedback collected are compiled and analysed and concerns are addressed.

Since 2014, CDL has in place a public communications plan for the community within a 100 m radius of our development plans for the land parcel. As part of efforts to keep the local community informed, plans are in place to send out flyers with project details and the construction schedule. Measures to reduce the impact of construction work on the surroundings also continue to be a priority.

## SOCIAL AND RELATIONSHIP CAPITAL

### Caring for Public Health and Safety

Health and safety are at the core of all that we do. This includes ensuring the health and safety of our homebuyers, tenants, shoppers and even the community in the vicinity of our buildings.

CDL places great emphasis on the structural stability of our buildings, fire safety compliance, and the

integrity of building materials. Qualified professionals like resident engineers and technical supervisory staff are engaged to monitor construction to ensure they are built in accordance with building regulations and codes. Our builders are expected to meet our high standards in terms of the quality and sustainability of our buildings.



### SPOTLIGHT

#### Community Spring Cleaning

With the warmer conditions brought about by the El Niño weather phenomenon, mosquito breeding is a key public health concern in Singapore due to the faster breeding and maturation cycles of the Aedes mosquito.

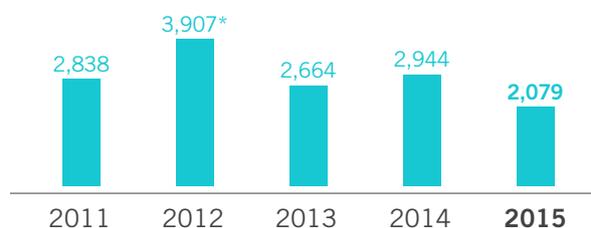
As a responsible corporate citizen, CDL is committed to creating a positive impact on the community. While our construction activities are undertaken by our builders, we influence and strongly encourage them to embark on their own CSR and EHS initiatives. In addition to regular vector control programmes at the construction site, many of our builders have also gone the extra mile to help clean up the surrounding public areas. Through these efforts, our builders hope to build greater trust and better rapport with residents in the neighbouring community.

Site	Activities
HAUS@SERANGOON GARDEN	<ul style="list-style-type: none"> <li>• Provided cleaning services to Ling Kwang Home for Senior Citizens and Singapore Cheshire Home</li> </ul>
The Brownstone	<ul style="list-style-type: none"> <li>• Cleaning of drainage and tidying up nearby residents' common area</li> <li>• Clearing of rubbish over 50m surrounding construction site</li> <li>• Sweeping pedestrian public access path</li> <li>• Clearing rubbish at public carpark and jogging path</li> </ul>
D'Nest	<ul style="list-style-type: none"> <li>• Cleaning surrounding area to remove debris that may become mosquito breeding sites</li> <li>• Oiling in secluded areas and bushes</li> <li>• Levelling off uneven ground to prevent water from collecting</li> </ul>
Coco Palms	<ul style="list-style-type: none"> <li>• Spring cleaning of neighbouring blocks</li> <li>• Public drain maintenance</li> </ul>
The Palette	<ul style="list-style-type: none"> <li>• Spring cleaning for residents' common areas near the development</li> <li>• Area cleaning for surrounding HDB blocks including removal of debris in drains and litter-picking</li> </ul>

## Helping the Less Fortunate through Employee Volunteerism

Apart from monetary donations to deserving charities, CDL has always believed in engaging our stakeholders through active employee volunteerism to complement our philanthropic giving and deliver greater impact. Since 1999, CDL's dedicated employee volunteer arm, CSC, has been reaching out to help the less fortunate and underprivileged. In 2015, we achieved an employee participation rate of 74% and a total of 2,079 volunteer manhours.

## Employee Volunteer Manhours



\* The sharp increase in employee volunteer manhours in 2012 was due to employee participation in a company-wide community event in celebration of CSC's 10th anniversary.

## Raising Eco-awareness in the Wider Community

Key Initiatives	Impact
<b>EcoBank – a CDL and Eco-Business Initiative</b>	In December 2015, CDL partnered Eco-Business to launch a new initiative – EcoBank – to raise awareness of waste reduction and sustainable consumption. Through this initiative, nearly \$48,000 was raised for disadvantaged women and children after a dollar-for-dollar match from the Care and Share movement under Community Chest. With the support of tenants and customers at City Square Mall and six of CDL's commercial properties, over 6,000kg of pre-loved items were collected. CDL employees and partners also contributed over 500 volunteer hours to help realise this meaningful initiative.
<b>National University of Singapore (NUS) Asia Environment Lecture</b>	In partnership with BCA, CDL supported the 3rd Asia Environment Lecture which was co-organised by various faculties in the NUS. More than 200 students, academia, and industry representatives benefited from the insights shared by renowned speaker Ms Christine Ervin — the first CEO and President of the US Green Building Council — on the drivers underpinning the rapid uptake of green building and the future of resilient infrastructure.
<b>Reduce @ North West – “North West Power Up Scheme”</b>	CDL partnered the North West Community Development Council (CDC) on a scheme to help needy families defray their electricity bills while raising environmental awareness amongst the community. CDL has pledged to donate \$10 to the scheme for every household that pledges to sign up for a six-month energy audit, up to a cap of \$100,000. The scheme is expected to assist up to 600 households over three years.
<b>NEA Environment Challenge for Schools (ECS)</b>	The NEA ECS is a national-level competition that encourages schools to partner tri-sector (business, government, and non-profit) organisations in the co-creation of solutions to solve local environmental challenges.  CDL's partner schools — Beatty Secondary School, Raffles Girls' School (Secondary), and CHIJ St Nicholas Girls' School (Secondary) — won 2 <sup>nd</sup> place and Merit prize respectively for the NEA ECS. The first two schools showcased their winning projects at the Clean and Green SG50 Carnival. The Carnival, which was co-organised by the Ministry of the Environment and Water Resources, NEA, North East CDC, National Parks Board, and Public Utilities Board, also featured a CDL-branded Eco Home exhibit which offered environmentally-friendly tips that Singaporeans can practise at home.

## SOCIAL AND RELATIONSHIP CAPITAL

### ADVOCATING BEST PRACTICES IN CSR

Key Initiatives	Impact
<b>Singapore APEX CSR Awards 2015</b>	Presented by CDL and jointly organised by GCNS, Singapore Business Federation and The Business Times, the Award is a new national accolade that promotes and recognises CSR excellence amongst Singapore-based companies.
<b>Promoting CSR Thought-Leadership at High-level Platforms</b>	Through sharing at conferences and other events, CDL advocates the value of CSR and showcases leading practices in sustainability and integrated reporting. Key platforms that CDL senior management have shared at include: <ul style="list-style-type: none"> <li>• BCA Breakfast Talk for CEOs at the Singapore Green Building Week 2015</li> <li>• CIMA-IIRC Integrated Reporting Dialogue</li> <li>• Financial Times-Deutsche Bank Global Treasury Leadership Retreat 2015</li> <li>• Institute of Singapore Chartered Accountants' &lt;IR&gt; Business Network</li> <li>• International CSR Summit 2015 organised by GCNS</li> <li>• National Investor Relations Institute's Investor Relations Wisdom Roadshow 2015</li> <li>• Singapore Institute of Directors Conference 2015</li> </ul>
<b>Sharing Innovative Best Practices at the International Arena</b>	CDL's speaking engagements at international conferences create opportunities for organisational learning and collaborations. Key engagements include: <ul style="list-style-type: none"> <li>• Global Compact +15 Conference, New York</li> <li>• Royal Institution of Chartered Surveyors Conference: 'Urbanisation to Globalisation: China's Next Steps', Beijing</li> <li>• World Green Building Council Congress 2015, Hong Kong</li> </ul>

### Developing CSR Champions of Tomorrow

Key Initiatives	Impact
<b>CDL-Compact Singapore Young CSR Leaders Award 2015</b>	This annual competition aims to nurture youths aged 17 to 30 to become future CSR leaders. Advancing the Award to the next level, the competition in 2015 introduced large organisations as business cases for the first time, attracting a record high participation of 95 teams from various education institutions in Singapore.
<b>CDL E-Generation Challenge 2015</b>	Recognising food waste as a pressing environmental issue, "Trace Your FOODprint" was adopted as the theme for CDL's annual signature eco-race for youths in 2015. Co-presented with Food Bank Singapore, the 2015 challenge aimed to foster greater consciousness about the environmental impact of food waste among over 400 participants aged 17 to 25 years old.
<b>Community Involvement Programmes – Local and Overseas</b>	Through direct sponsorship of student groups and the CDL-Singapore Management University Young CSR Leaders Fund, CDL supported close to 1,000 youth leaders and volunteers for 28 youth-led projects which contributed to local and neighbouring rural communities in the following ways: <ul style="list-style-type: none"> <li>• Conservation of natural habitats and resources</li> <li>• Health and sanitation</li> <li>• Promotion of eco-awareness and green lifestyles</li> <li>• Sustainable development and community empowerment</li> </ul>
<b>Partnerships with Education Institutions</b>	CDL continues to support leading education institutions in their youth engagement activities such as: <ul style="list-style-type: none"> <li>• Nanyang Technological University Asian Business Case Challenge – Sustainable Enterprise Challenge 2015</li> <li>• NUS Goes Lite 2015 organised by NUS SAVE (Students Against Violation of the Earth)</li> <li>• Raffles Institution Eco-Literacy Programme</li> </ul>

## Promoting Singapore's Arts and Heritage

Key Initiatives	Impact
<b>Gala Dinner celebrating SBG's inscription as Singapore's First UNESCO World Heritage Site</b>	CDL organised a Gala Dinner to celebrate the inscription of the Singapore Botanic Gardens (SBG) as Singapore's first UNESCO World Heritage Site. The event raised some \$350,000 for the Garden City Fund in support of its outreach and conservation efforts. Sale of 20 copies of the late Mr Kwek Leng Joo's book "Embrace" autographed by Prime Minister Lee Hsien Loong raised \$320,000 for the National Heritage Board's National Monuments Fund after a one-for-one match under the Ministry of Culture, Community and Youth's Cultural Matching Fund.
<b>SG50 Commemorative Public Sculpture - "In the Eye of the Red Dot"</b>	In 2015, CDL partnered the National Museum of Singapore to launch an open call for the concept submission of a special SG50 commemorative public sculpture, based on the theme "The Red Dot, Today and Tomorrow". Award-winning sculptor Yeo Chee Kiong's proposal was selected from 48 submissions. Titled "In the Eye of the Red Dot", the winning sculpture has been on display at the National Museum of Singapore since mid-September 2015.
<b>"Treasures of the World from the British Museum" Exhibition</b>	As one of the sponsors of this highly-anticipated exhibition at the National Museum of Singapore which showcases over 200 of the world's finest artefacts, CDL organised an exclusive private tour for close to 100 commercial and residential tenants, as well as business associates.

## Caring for the Community

Key Initiatives	Impact
<b>Fundraising for President's Challenge 2015 - "Soul and Sensibilities" Art Collaboration</b>	Through the sale of three selected "Soul and Sensibilities" artworks and 35 commemorative art books autographed by President Tony Tan, a total of \$1.1 million was raised for President's Challenge 2015 after a matching donation from the Care and Share movement. The funds raised go towards helping the less fortunate in our society.  "Soul & Sensibilities" is a poetic collection of artworks showcasing the intricate interaction between the photography works of the late Mr Kwek Leng Joo and Chinese brush painting by master painter Mr Lin Lu Zai.
<b>Assisi Hospice Charity Fun Day 2015</b>	For the 12 <sup>th</sup> consecutive year, CDL co-organised the Assisi Hospice Charity Fun Day and rallied our subsidiary CBM Pte Ltd and four hotels in Singapore to contribute to the event. Some 250 employees and business partners helped to raise close to \$50,000 for this worthy cause.
<b>North West CDC - Christmas Party @Limbang and WeCare@North West Event</b>	Over the Christmas period on 27 December 2015, CSC partnered North West CDC to organise a Christmas party, bringing festive joy to 50 children from less privileged families at Limbang.  As a continuation of support, CDL further partnered North West CDC for the WeCare @ North West event on 23 January 2016. Apart from sharing festive goodies and fulfilling the wishes of 10 less privileged families for household items such as refrigerators, electric fans and mattresses, CDL volunteers also helped to paint an old unit in the Limbang estate.



HUMAN CAPITAL

**INVEST**

IN OUR PEOPLE

## HUMAN CAPITAL

Our employees are the driving force behind our sustained growth. We believe strongly in the importance of employee engagement, talent acquisition, and retention, to remain an employer of choice. Our HR policies and initiatives are geared towards building a conducive workplace for our employees' development and well-being. This increases productivity and employee satisfaction, which enable us to achieve organisational and business excellence.

In addition, we also recognise that the workers at our construction sites are key resources to the long-term viability of our business. While they may not operate directly within our immediate realm of influence, this has not prevented us from being a strong advocate of health and safety across our value chain.

### HEALTH AND SAFETY

People are our greatest asset and their safety and well-being are of utmost importance. It is our responsibility to provide a safe and healthy environment for our employees, customers as well as the workers at our construction sites.

In addition to workplace health and safety, we also place great emphasis on employee health and well-being. Ergonomics, stress, and anxiety can have significant impact on job performance, employee satisfaction, and retention, which ultimately affect organisational goals and objectives.

In line with our corporate EHS Policy, KPIs were identified with targets established and reviewed annually to monitor our EHS performance. This is to ensure that we achieve a consistently high EHS standard across the organisation. More details on our EHS Policy can be found on page 32.

As early as 2003, we received the Occupational Health and Safety Management System (OHSAS) 18001 certification for our development projects. Since 2011, all properties under management in Singapore were also certified.

### Safety at Construction Sites

All our builders are required to have an accredited safety and health management system in place. This is a pre-requisite in the tender review process. We actively engage our consultants and builders in health and safety matters through risk reviews and monitoring of EHS performance.

We recognise that labour shortage will continue to pose a challenge as we uphold workplace safety and health standards through our management system. Through a combination of rewards and penalties, we hope to heighten awareness and minimise safety breaches at all our construction sites.

As a result of various safety initiatives and engagement with our builders and their workers, CDL's Accident Frequency Rate (AFR)<sup>1</sup> and Workplace Injury Rate (WIR)<sup>2</sup> remained way below the construction industry average.

#### → AFR at Construction Sites: No. of workplace accidents per million manhours worked



#### → WIR at Construction Sites: No. of fatal and non-fatal workplace injuries per 100,000 persons employed



1 AFR refers to the number of workplace accidents per million manhours worked. Figures used are accident-based. For details, please refer to [www.mom.gov.sg](http://www.mom.gov.sg).

2 WIR refers to the number of fatal and non-fatal workplace injuries per 100,000 persons employed. Figures used are victim-based. For details, please refer to [www.mom.gov.sg](http://www.mom.gov.sg).

## HUMAN CAPITAL

There were a total of five reportable work-related accidents in 2015 at our construction sites. Our builders also received one stop work order and one fine for workplace safety and health related non-compliances. Even though the accidents and non-compliances were a result of lapses in our builders' site practices, CDL is fully committed to working with them to continuously improve safety and health conditions at the construction sites.

### Workplace Safety and Health

At the CDL Corporate Office, there were no fatalities and reportable accidents in 2015, resulting in zero WIR and AFR. There were also no occupational diseases reported. The average medical leave taken per employee per year was approximately four days, and these were not arising from any workplace incidents.

8% of the employees at our Corporate Office are involved in workplace health and safety committees. Initiatives and activities planned by these committees are part of a continual process to protect and promote health, safety, and well-being of all employees, as well as the sustainability of our workplace.

### Healthy Living

An array of activities were organised in 2015 to promote a healthy lifestyle amongst our employees:

- Free annual basic health screenings for all employees during work hours
- Discounted health screening programmes for the family members of our employees
- Bi-monthly healthy snacks to promote better consumption habits
- Regular lunchtime talks on joint pain management, cancer fighting diet, hypertension prevention, and personal grooming

### Active Lifestyle

To encourage employees to get active and stay healthy, CDL organises various fitness activities including yoga, pilates, stair-climbing, dragon boating, bowling, table tennis, and futsal.

### Emotional Well-being

CDL's Employee Assistance Programme (EAP) provides support for issues concerning work, family matters, and interpersonal relationships. Employees can be assured of confidentiality when they call the EAP hotline manned by a third-party psychologist.

## HUMAN RIGHTS

Since 2005, CDL has been a signatory to the UN Global Compact and is committed to its principles on Human Rights and Labour, which are derived from the Universal Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. Our stand on human and labour rights are also outlined in our Corporate Statement on Human Rights found on page 32, which is published on CDL's website and communicated to our builders and contractors for adherence.

Additionally, CDL fully complies with the following legislations on the welfare and rights of our employees. In 2015, there were no incidents and grievances of discrimination, child labour or forced labour at the CDL Corporate Office.

### The Employment Act

The Employment Act outlines the statutory requirements of hiring employees in Singapore. Employees are eligible for overtime compensation in accordance with the Employment Act. Beyond compliance, our employee benefits typically exceed the requirements stipulated within the Act. Benefits are extended to managerial and executive level employees who are not covered under the Act. More information on our benefits can be found on the next page.

### Anti-Child and Anti-Forced Labour

In Singapore, legislations such as the Employment Act, Retirement Act, Workplace Safety and Health Act, and Factories Act mitigate risks and incidents of child and forced labour. For example, the Employment Act prohibits the employment of

children below 13 years of age and stipulates a clear set of laws for the employment of children between 13 and 15 years old, including their working hours and the type of work they can be engaged in. The Commissioner for Labour must be notified if they are engaged in industrial undertakings or have obtained permission to work on their rest days.

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

### Respect for Freedom of Association

CDL respects all employees' fundamental rights to freedom of association and the right to be members of trade unions. Although CDL is not a unionised company, we are guided by the Industrial Relations Act which allows trade unions to represent our employees for collective bargaining, providing our employees with an avenue to seek redress for disputes.

On the other hand, our key subsidiaries CBM Pte Ltd and The Tower Club are both unionised, providing their workforce a channel for collective bargaining.

## BENEFITS AND WELFARE

Beyond competitive remuneration, we take care of our employees through comprehensive welfare and benefits schemes, including but not limited to insurance coverage, medical, and dental benefits for our full-time employees. Part-time employees also enjoy similar benefits on either a full or pro-rated basis, thereby promoting a conducive environment should employees decide to take on part-time arrangements to cope with their personal needs.

### Pro-Family Benefits

CDL adopts benefits and welfare practices in line with the Singapore Government's pro-family legislation. Mothers whose children are Singapore Citizens at birth get to enjoy maternity leave of 16 weeks as advocated by the Government. CDL also provides eligible employees with childcare leave, extended childcare leave, paternity leave and shared parental leave.

In recognition of the important role fathers play in the family, CDL participated in the enhanced paternity leave scheme introduced by the Singapore Government in 2015. The scheme allows male employees who have citizen child(ren) born from 2015 to enjoy two weeks of paternity leave in comparison to the legislated one week of paternity leave. They are also entitled to share one week of the 16 weeks of maternity leave, subject to the agreement of the mother, if the mother qualifies for the Government-Paid Maternity Leave.

In 2015, 12 eligible female CDL employees utilised their maternity benefits and all 12 employees are still employed with the Company after their return from maternity leave. Five eligible male employees used their paternity leave benefits.

98 CDL employees (28 male, 70 female) with at least one Singapore Citizen child under the age of seven were entitled to six days of paid childcare leave in 2015. In addition, 35 employees (four male, 31 female) with at least one Singapore Citizen child aged seven to 12 years were entitled to two days of paid extended childcare leave in 2015. All eligible employees have utilised these entitlements.

### Flexible Work Arrangements

CDL also provides flexible work arrangements for employees with special family needs to manage their personal and work commitments more effectively.

Full-time employees can convert to working part-time, and enjoy similar benefits as full-time employees on a full or pro-rated basis. In 2015, three employees worked on a part-time arrangement.

### Fair Remuneration

CDL's compensation packages are aligned with internal parity and market benchmarks. CDL offers fair and competitive remuneration packages based on employees' performance, roles and responsibilities. This is to ensure that we remain competitive in attracting talent which is key to our sustained growth. CDL also has a well-structured and open annual performance appraisal system which is reviewed periodically and enhanced to ensure open communication between employees and their reporting officers.

## HUMAN CAPITAL

### Performance-Based Appraisal

As a company committed to meritocracy, our rewards and compensation policies emphasise on employees' performance. This is judged not only on what employees achieve in the review period, but also on how it is achieved. All employees received performance and career development reviews in 2015. Our performance management process was reviewed periodically to incorporate employees' feedback and enhancements to the system.

In 2015, our performance management process was enhanced to incorporate an assessment matrix to derive and calculate employees' achievements in relation to goals set. The revised set of CDL core values has also been included in the assessment of how well an employee has displayed the core values in his or her daily work.

### Competitive Remuneration

Remuneration is recommended by the HR Department and the Group General Manager's Office, and approved by the Remuneration Committee which consists of members from the CDL Board of Directors. Salary benchmarks against market surveys are conducted to ensure relevancy of CDL's salaries with the industry and the overall market. An external consultancy firm was engaged to conduct a biennial Employee Engagement Survey to gather employees' opinions and feedback, including their perception of CDL's remuneration and reward system.

In the recent Employee Engagement Survey conducted in 2015, more than 60% of our employees have rated CDL's remuneration and benefits favourably, six percentage points higher than the Singapore National Norms<sup>3</sup>.

### ESG-Linked Remuneration

CDL recognises that inclusion of appropriate ESG issues within executive management goals and incentive schemes is an important factor in promoting greater recognition of and accountability in our CSR practices. In 2015, CDL reviewed the performance appraisal system to establish stronger linkages between employee and executive remuneration and our corporate sustainability

performance. ESG indicators that are aligned with global standards such as ISO 26000, ISO 14001 and GRI reporting indicators, to name a few, have been incorporated in the individual goals setting of all employees, including senior management.

### Central Provident Fund (CPF) Scheme and Contributions

The CPF is a comprehensive social security savings plan which aims to provide working Singaporeans and Permanent Residents with a measure of financial security and confidence in their old age. CPF contribution is computed based on a percentage of the employee's monthly salary and varies with the employee's age.

Savings in the Ordinary Account earn a minimum risk-free interest of 2.5% guaranteed by Government, while savings in Special, Medisave, and Retirement Accounts will earn 4% per annum. CPF funds can be used for the following purposes:

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

CDL assists employees to make monthly contributions which are deducted from their monthly gross salaries and deposits the contribution into their CPF accounts, as required by law. In addition to employees' contribution of 20%, CDL contributes an additional 17% as an employer, making a total monthly contribution of 37% to the employee's CPF account.

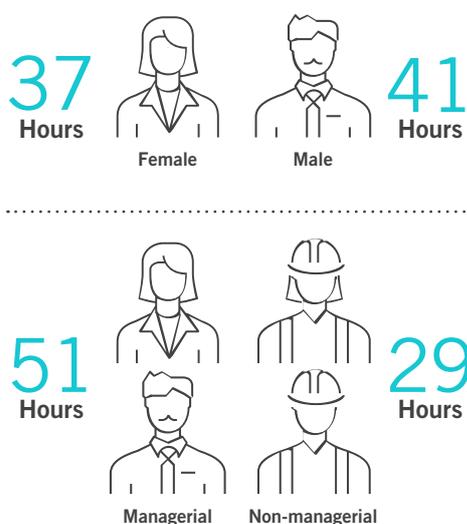
## LEARNING AND DEVELOPMENT

CDL strongly believes that investing in learning and development will give CDL the competitive edge for future growth and success. All new employees are required to attend the CDL On-Boarding Programme, which aims to induct and integrate new hires into the organisational culture seamlessly. Annual training needs analysis is conducted to ensure that there are necessary training interventions to level up competencies and professional knowledge.

### Training Hours and Investments

In 2015, CDL invested over \$370,000 and clocked over 16,000 hours in training and development. 100% of our workforce was provided the opportunity to attend training, while over 50% of the workforce achieved an average of four training days or more per employee.

#### → Average Training Hours Employees: 429



### Education Sponsorships and Scholarships

CDL also sponsors part-time courses relevant to employees' work, conducted locally by recognised institutions and universities. In 2015, CDL sponsored two employees to upgrade their educational qualifications.

We believe in nurturing and investing in talents even before they join the organisation. Since 2001, CDL has been partnering BCA to offer the BCA-CDL Built Environment Undergraduate Scholarship for young adults who excel academically and are keen to pursue a career with CDL after graduation. So far, CDL has offered 10 scholarships to local young talents, up from eight reported in 2014. There are currently five scholars in our workforce and three scholars who will join CDL upon their graduation.

### Internships

In addition, CDL partners with local tertiary education institutions to offer student internship opportunities for students interested in the property industry. In 2015, there were 10 interns assigned to various departments in CDL.

### Talent Management

Developing a robust talent pool is crucial to strengthening CDL's position as a leading property developer. The CDL Leadership Programme is structured to develop high-potential employees by sharpening their leadership and general management skills to enable them to become more effective leaders.

### Building Capacity in CSR and EHS

We educate employees on our CSR efforts and inspire action at every level of our business. This begins with the induction of new employees and the provision of learning opportunities on CSR and EHS issues.

To cultivate a "Safe and Green" corporate culture, EHS training and awareness programmes are planned for all CDL employees. Employees are also encouraged to attend relevant external conferences and workshops to strengthen their CSR knowledge and EHS management skills. Over 3,900 training hours were dedicated to CSR and EHS issues in 2015, which include ISO 26000 core subjects such as human rights, anti-corruption, and environmental protection.

# HUMAN CAPITAL

In 2015, an esteemed panel comprising renowned CSR expert Mr Wayne Visser and SGX's Special Adviser Ms Yeo Lian Sim, shared their views on global sustainability trends and the move towards mandatory sustainability reporting at an in-house seminar. The seminar was well-attended by close to 80 participants, including the Board of Directors of Hong Leong Group's listed companies, as well as the Senior Management and CSR committee members of CDL.

From the 2015 Employee Engagement Survey, 94% of our employees have rated CDL's CSR commitment and practices favourably, 12 percentage points higher than the Singapore National Norms<sup>3</sup>.

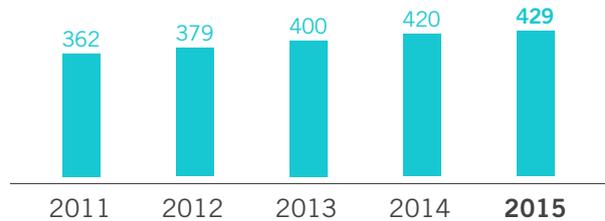
## JOB CREATION AND SECURITY

CDL adheres to the Tripartite Guidelines on Managing Excess Manpower issued by the Ministry of Manpower (MOM) and its tripartite partners, Singapore National Employers Federation and the National Trades Union Congress. The Company supports and shares a similar philosophy as the Tripartite Guidelines, which strongly encourage companies to manage excess manpower and consider reorganisation as a last resort. The Guidelines also suggest providing retraining programmes for workers, redeploying of workers to alternative work areas, implementing shorter work weeks, temporary layoffs, flexible work arrangements, and managing wage costs through a flexible wage system.

In the past five years, there has been no major reorganisation within CDL that resulted in job cuts or redundancies.

In the event of termination or employee resignation, a minimum notice period of one to three months needs to be fulfilled, depending on the employee's job grade. Due to operational requirements, middle and senior management are required to provide a notice period of two and three months respectively.

### → Total Workforce Total No. of Employees



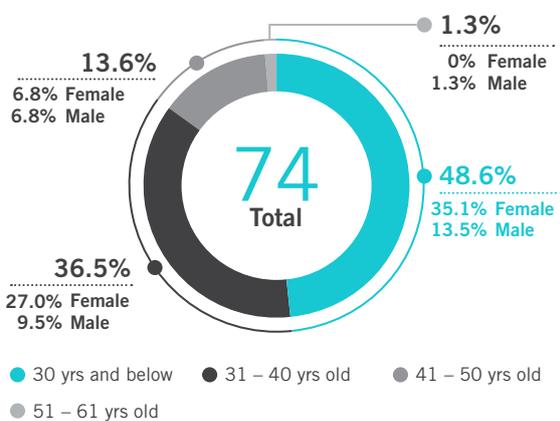
As at 31 December 2015, CDL has a total of 429 employees. 93% of our HODs are Singaporeans or Permanent Residents, hired from our local community. 6.29% of our employees are hired on permanent contract basis.

### New Hires

As our business grows, so does our capacity to provide secure employment. Despite cyclical downswings in the property market, we have managed to sustain our growth without cutting headcount. In 2015, we witnessed a year-on-year growth of 2% in employee strength as our operations expanded.

Out of the 74 new hires in 2015, 58 were replacements for existing positions and 16 were for newly created positions.

### → Total No. of New Hires

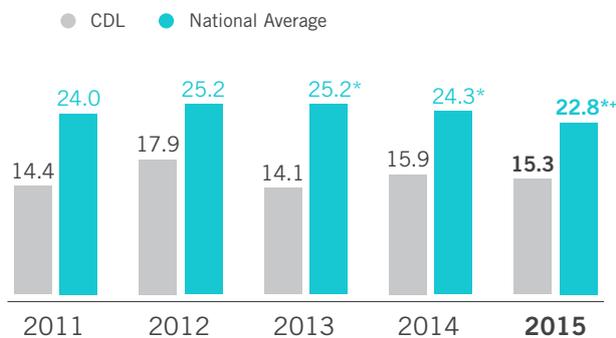


3 Source: Towers Watson

## Employee Retention

CDL's successful employee engagement is evident from our employees' length of service. The average tenure of our employees is about 8.5 years and more than 48.5% of our employees have been with CDL for more than five years. CDL's employee turnover rate of 15.3% continued to remain significantly lower than the national average of 22.8% in 2015.

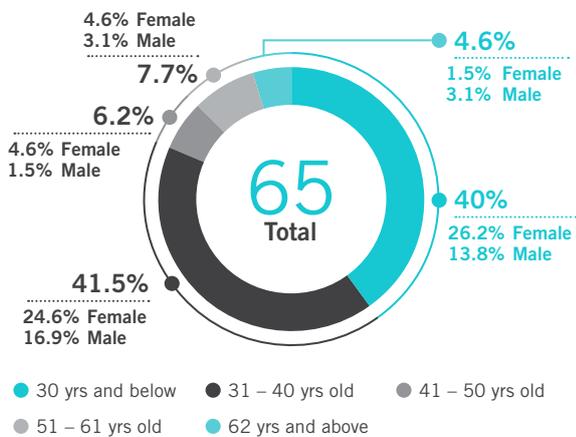
### Employee Turnover Rate (%)



\* Computation of annual employee turnover is based on cumulative monthly attrition rate derived from the number of resignations for the month / headcount for the month found on [www.mom.gov.sg](http://www.mom.gov.sg).

\*\* Using National Average as at Q4 2015.

### Number of Resignations



● 30 yrs and below ● 31 – 40 yrs old ● 41 – 50 yrs old  
● 51 – 61 yrs old ● 62 yrs and above

## Employer of Choice

As a testament to our steadfast commitment to be an employer of choice, CDL was awarded the W.O.W! Special Mention Award by Great Place To Work® for our progressive workplace culture and good people practices in 2015.

Based on the 2015 Employee Engagement Survey, CDL achieved a Sustainable Engagement Score of 80%, eight percentage points higher than the Singapore National Norm<sup>3</sup>. The biennial survey provides insights into potential employee concerns and allows CDL to proactively address them, hence improving employee engagement and effectiveness.

## Retirement and Re-Employment Practices

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

Since 2005, CDL has extended re-employment to employees who have reached retirement age. Employees who are due for retirement but still able to contribute to CDL can remain employed at full pay. At age 62, employees who meet CDL's re-employment criteria (i.e. satisfactory performance and medically fit, with availability of a suitable role), will be re-employed in the same job. They will be offered an annual contract with no change in existing benefits and salary, and are also eligible for all bonuses.

As stipulated by legislation, CDL also provides a one-off Employment Assistance Payment for employees who reach age 62 but do not meet the criteria for re-employment.

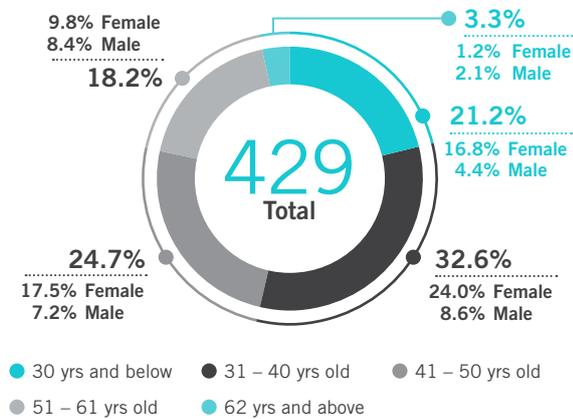
In 2015, CDL had nine employees above the age of 62. Two employees at age 62 were re-employed in the same job, while one employee was eligible for the Employment Assistance Payment.

# HUMAN CAPITAL

## DIVERSITY AND EQUAL OPPORTUNITY

We believe that having an inclusive culture is important for our business. CDL provides equal opportunities for all employees without discrimination. Our recruitment process adheres to the strict guidelines on non-discrimination and fairness. There is no preference for any particular gender, ethnicity, religion, or age.

### → Age Profile



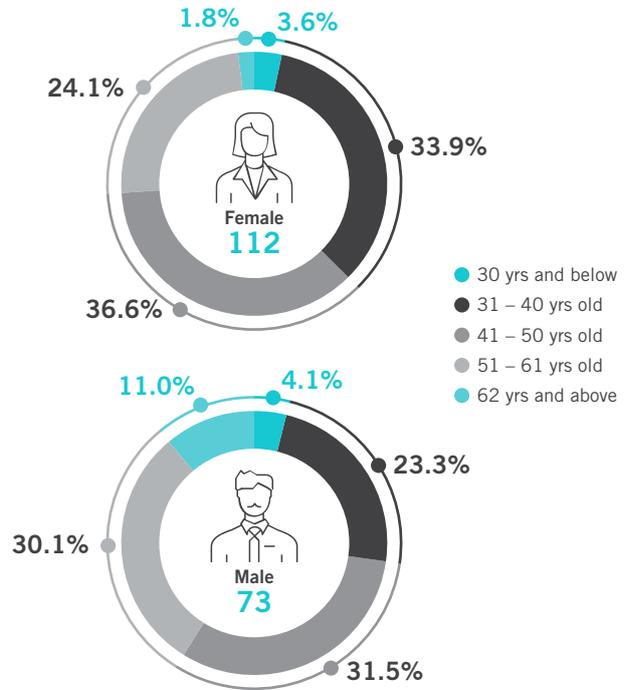
We have a diversified workforce across all age groups. In 2015, 81% of new recruits were Generation Ys (Gen Ys) (born in 1978 or later). More than 40% of our current workforce now consists of Gen Ys, injecting new ideas, enthusiasm, and energy to our organisation. In 2015, 37% of promotions went to Gen Y employees.

### Gender Diversity

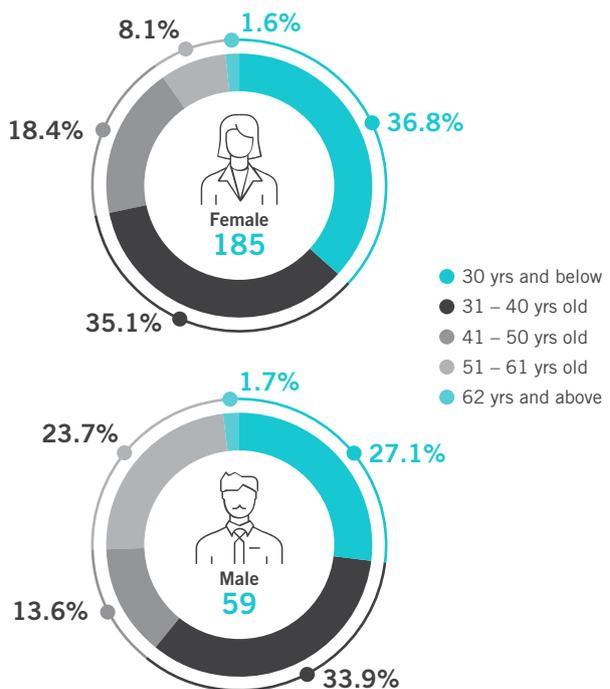
CDL has more females than males in both managerial and non-managerial categories – a testament to the Company’s emphasis on gender diversity and the success of our pro-family initiatives.

In 2015, females in both non-managerial and managerial positions were paid 96% of the average pay of males, with female employees holding more of the junior positions within the Company.

### → Age Group Managerial

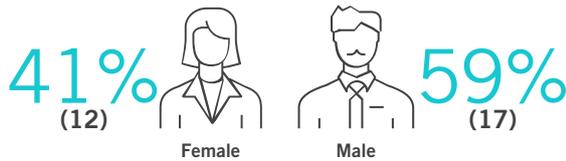


### → Age Group Non-Managerial



In 2015, 41% of HODs were female.

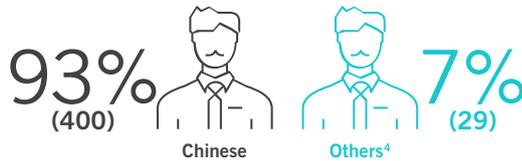
➔ **Gender of HODs (%)**  
Employees: 29



**Racial and Disability Inclusion**

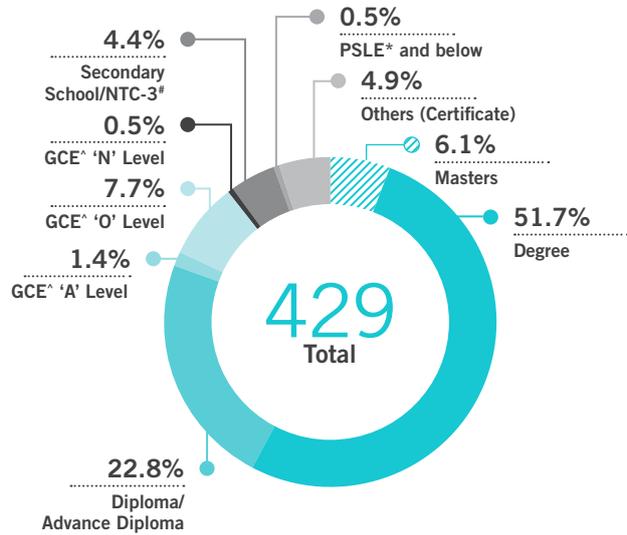
CDL embraces an inclusive workplace in our multi-racial workforce from diverse educational backgrounds. Our workforce is nonetheless heavier on the number of Chinese employees as a reflection of Singapore’s predominantly Chinese population. Where possible, we also provide fair employment opportunities for the less physically-abled. As of 2015, CDL has a wheelchair-bound employee who has been with the Company for five years.

➔ **Racial Diversity (%)**  
Employees: 429



<sup>4</sup> Other races include Malay, Indian, Eurasian and Caucasian.

➔ **Qualification**  
Employees: 429



\* PSLE (Primary School Leaving Examination)  
<sup>^</sup> GCE (General Certificate of Education)  
<sup>#</sup> NTC-3 (National Technical Certificate)

**MOVING FORWARD**

From 2016, CDL has implemented the SAP SuccessFactors Learning Management System (LMS) to better identify and assess individual and organisational learning needs. The LMS also improves course administration, skills gap analysis, tracking and reporting. Through this new system, training metrics can be recorded and trends can be analysed, to ensure cost effectiveness and efficiency in our training budgeting and expenditure.

# ISO 14064 REASONABLE ASSURANCE STATEMENT



Lloyd's Register  
LRQA

The GHG Report  
for the calendar year 2015 prepared by:  
**City Developments Limited**  
**9 Raffles Place, Republic Plaza #36-00,**  
**Singapore 048619**

have been verified by Lloyd's Register Quality Assurance Ltd. (LRQA) in accordance with:  
ISO 14064-3:2006<sup>1</sup>

as conforming to the requirements of:  
ISO 14064-1:2006<sup>2</sup>

The assurance has been formed on the basis of a reasonable level of assurance and at a materiality of the professional judgment of the Verifier

Scope of GHG emissions	2015 (Tonnes CO <sub>2</sub> e)
Direct GHG emissions (Scope 1)	6557
Energy indirect GHG emissions (Scope 2)	23734
Other indirect GHG emissions (from electricity transmission losses, local and international courier services, employee commuting and business air travel excluding radiative forcing, hotel accommodations and water usage excluding water treatment) at CDL's Corporate office, commercial, industrial buildings and construction sites. (Scope 3)	1258

Date: 23 March 2016

**Tan Wee Heok**  
LRQA Lead Verifier  
On behalf of Lloyd's Register Quality Assurance Ltd.,  
1 Fusionopolis Place, #09-11 Galaxis, Singapore 138522

LRQA reference number: SNG6034635

This summary is not valid without the full Assurance Statement attached on pages 89 to 90 to which it applies.

1 ISO 14064:2006 Greenhouse gases – Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions  
2 ISO 14064:2006 Greenhouse gases – Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals

**Assurance Statement related to  
GHG Report for Calendar Year 2015  
prepared for City Developments Limited,  
9 Raffles Place, Republic Plaza #36-00,  
Singapore 048619**

## Terms of Engagement

This Assurance Statement has been prepared for *City Developments Limited*.

Lloyd's Register Quality Assurance Ltd. (LRQA) was commissioned by *City Developments Limited (CDL)* to assure its *Greenhouse Gas Report for the calendar year 2015*, (hereafter referred to as "the GHG report") for its Singapore Operations.

The GHG report relates to direct GHG emissions, energy indirect GHG emissions and other indirect GHG emissions (from electricity transmission losses, local and international courier services, employee commuting and business air travel excluding radiative forcing, hotel accommodations and water usage excluding water treatment) at CDL's Corporate office, commercial, industrial buildings and construction sites as disclosed in the GHG report and as summarized in Table 1 below.

## Management Responsibility

The management of *CDL* was responsible for preparing the GHG Report and for maintaining effective internal controls over the data and information disclosed. LRQA's responsibility was to carry out an assurance engagement on the GHG report in accordance with our contract with *CDL*.

Ultimately, the GHG Report has been approved by, and remains the responsibility of *CDL*.

## LRQA's Approach

Our verification has been conducted in accordance with ISO 14064-3:2006, '*Specification with guidance for validation and verification of greenhouse gas assertions*' to provide reasonable assurance that GHG data as presented in the GHG report have been prepared in conformance with ISO 14064-1:2006, '*Specification with guidance at the organizational level for quantification and reporting of greenhouse gas emissions and removals*'.

To form our conclusions, the assurance engagement was undertaken as a sampling exercise and covered the following activities:

- conducted site tours of the following: "Corporate Office", "Commercial Buildings", "Industrial Buildings" and "Construction Sites" located at the following addresses:
  - o Corporate office located at 9, Raffles Place, Republic Plaza, #36-00, Singapore 048619.
  - o Industrial Buildings
    - Tagore 23 Warehouse located at 23, Tagore Lane, Singapore 787601.
    - Cideco Industrial Complex located at 50, Genting Lane, Singapore 349558.
    - City Industrial Building located at 71, Tannery Lane, Singapore 347807.
  - o Commercial Buildings
    - City Square Mall located at 180, Kitchener Road, Singapore 208539.
    - Fuji Xerox Towers located at 80, Anson Road, Singapore 079907.
    - Manulife Centre located at 51, Bras Basah Road, Singapore 189554.
  - o Construction Sites
    - Echelon located at 9, Alexandra View, Singapore 158742.
    - New Futura located at 14 Leonie Hill, Singapore 239193.
    - Brownstone located at Canberra Drive, Singapore 768079.
- reviewed processes related to the control of GHG emissions data and records;
- reviewed the GHG Report for conformance with ISO 14046-1:2006;
- interviewed key personnel responsible for the management of GHG data and information and for the preparation of the GHG report at the above facilities;
- verified, on a sampling basis, the historical GHG emissions data and records included in the GHG report back to source for the calendar year 2015.

# ISO 14064 REASONABLE ASSURANCE STATEMENT

- verified the emission factors used for diesel, petrol, refrigerant gases, electricity grid, transmission and distribution losses, employee commuting and business air travel excluding radiative forcing, hotel accommodation and water usage excluding water treatment with the source reference and confirmed its appropriateness.

## Level of Assurance and Materiality

The opinion expressed in this Assurance Statement has been formed on the basis of a reasonable level of assurance and at a materiality of the professional judgment of the verifiers.

## LRQA's Opinion

Based on LRQA's approach, the total direct GHG emissions, energy indirect GHG emissions *and other indirect GHG emissions* (from electricity transmission losses, local and international courier services, employee commuting and business air travel excluding radiative forcing, hotel accommodations and water usage excluding water treatment) at CDL's Corporate office, commercial, industrial buildings and construction sites as disclosed in the GHG report and as summarized in Table 1 below are materially correct and the GHG report has been prepared in conformance with ISO 14064-1:2006.

Dated: 23 March 2016



**Tan Wee Heok**

LRQA Lead Verifier

On behalf of Lloyd's Register Quality Assurance Ltd.,  
1 Fusionopolis Place, #09-11 Galaxis, Singapore  
138522

LRQA reference number: SNG6034635

**Table 1. Summary of CDL GHG Emissions Report for the Calendar Year 2015**

Scope of GHG emissions	2015 (Tonnes CO <sub>2</sub> e)
Direct GHG emissions (Scope 1)	<b>6557</b>
Energy indirect GHG emissions (Scope 2)	<b>23734</b>
Other indirect GHG emissions (from electricity transmission losses, local and international courier services, employee commuting and business air travel excluding radiative forcing, hotel accommodations and water usage excluding water treatment) at CDL's Corporate office, commercial, industrial buildings and construction sites. (Scope 3)	<b>1258</b>

This Assurance Statement is subject to the provisions of this legal section:

This Assurance Statement is only valid when published with the Report (GHG Report) to which it refers. It may only be reproduced in its entirety.

Lloyd's Register Group Limited, its affiliates and subsidiaries, including Lloyd's Register Quality Assurance Limited, and their respective officers, employees or agents are, individually and collectively, referred to in this Legal Section as 'Lloyd's Register'. Lloyd's Register assumes no responsibility and shall not be liable to any person for any loss, damage or expense caused by reliance on the information or advice in this document or howsoever provided, unless that person has signed a contract with the relevant Lloyd's Register entity for the provision of this information or advice and in that case any responsibility or liability is exclusively on the terms and conditions set out in that contract.

Due to inherent limitations in any internal control, it is possible that fraud, error, or non-compliance with laws and regulations may occur and not be detected. Further, the verification was not designed to detect all weakness or errors in internal controls so far as they relate to the requirements set out above as the verification has not been performed continuously throughout the period and the verification carried out on the relevant internal controls were on a test basis. Any projection of the evaluation of control to future periods is subject to the risk that the processes may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

The English version of this Assurance Statement is the only valid version. Lloyd's Register assumes no responsibility for versions translated into other languages.

In the case of any conflict between the English and any local language versions of this legal section, the English version shall prevail.

# INDEPENDENT LIMITED ASSURANCE STATEMENT



**Building a better  
working world**

## Independent Limited Assurance Statement to the Management of City Developments Limited ('CDL')

We have performed limited assurance procedures in relation to CDL's Sustainability Report 2016 ('the Report') as detailed in the 'Subject Matter' below.

### The management's responsibility

CDL's Sustainability Report 2016 has been prepared by the Management of CDL, which is responsible for the collection and presentation of the information it contains and for maintaining adequate records and internal controls that are designed to support the sustainability reporting process. There are currently no legally prescribed requirements relating to the preparation, publication and verification of sustainability reports.

### The auditor's responsibility

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

Our review was limited to the information on the select indicators set out within the Report from 01 January 2015 to 31 December 2015 and our responsibility does not include:

- Any work in respect of sustainability information published elsewhere on CDL's annual report, website and other publications,
- Sustainability information prior to 01 January 2015 and subsequent to 31 December 2015, and
- Management's forward looking statements such as targets, plans and intentions.

Our multi-disciplinary team has the required competencies and experience to conduct this assurance

engagement. Our professionals have experience in both assurance skills and in the applicable subject matter including environmental, social and financial aspects.

### Reporting criteria

As a basis for the assurance engagement, we have used relevant criteria in the sustainability reporting guidelines of the Global Reporting Initiative (GRI G4) and the Construction & Real Estate Sector Supplement. We consider these reporting criteria to be relevant and appropriate to review the Report.

### Assurance standard used and level of assurance

Our limited assurance engagement has been planned and performed in accordance with the ISAE 3000<sup>1</sup> Assurance Engagement Other Than Audits or Reviews of Historical Financial Information. We have also considered the Global Reporting Initiative G4 ('GRI G4') reporting guidelines in conducting our limited assurance procedures.

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

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

### Scope of work

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

<sup>1</sup> International Federation of the Accountants' International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE3000)

# INDEPENDENT LIMITED ASSURANCE STATEMENT

## Subject matter

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

### 1. Economic:

- **EC1** Direct economic value generated and distributed
- **EC3** Coverage of the organization's defined benefit plan obligations
- **EC5** Ratios of standard entity level wage by gender compared to local minimum wage at significant locations of operation
- **EC6** Proportion of senior management hired from the local community at significant locations of operation

### 2. Environmental:

- **EN1** Materials used by weight or volume
- **EN2** Percentage of materials used that are recycled input materials
- **EN5** Energy intensity
- **EN6** Reduction of energy consumption
- **EN7** Reductions in energy requirements of products and services
- **EN10** Percentage and total volume of water recycled and reused
- **EN12** Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.
- **EN18** Greenhouse Gas (GHG) emissions intensity
- **EN19** Reduction of Greenhouse Gas (GHG) emissions
- **EN23** Total weight of waste by type and disposal method
- **EN29** Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations
- **EN32** Percentage of new suppliers that were screened using environmental criteria

### 3. Social: Labor Practices and Decent Work:

- **LA1** Total number and rates of new employee hires and employee turnover by age group, gender and region
- **LA2** Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation
- **LA3** Return to work and retention rates after parental leave, by gender
- **LA4** Minimum notice periods regarding operational changes, including whether these are specified

- **LA5** Percentage of total workforce represented in formal joint management – worker health and safety committees that help monitor and advise on occupational health and safety programs
- **LA6** Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender
- **LA9** Average hours of training per year per employee by gender, and by employee category
- **LA10** Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings
- **LA11** Percentage of employees receiving regular performance and career development reviews, by gender and by employee category
- **LA13** Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation

### 4. Social: Society:

- **SO1** Percentage of operations with implemented local community engagement, impact assessments, and development programs
- **SO3** Total number and percentage of operations assessed for risks related to corruption and the significant risks identified
- **SO4** Communication and training on anti-corruption policies and procedures
- **SO5** Confirmed incidents of corruption and actions taken
- **SO8** Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations

### 5. Social: Product Responsibility:

- **PR3** Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements
- **PR5** Results of surveys measuring customer satisfaction
- **PR9** Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services

### 6. Social: Human Rights:

- **HR3** Total number of incidents of discrimination and corrective actions taken

## 7. Supplement Sector: Construction and Real Estate:

- **CRE1** Building energy intensity
- **CRE2** Building water intensity
- **CRE3** Greenhouse gas emissions intensity from buildings
- **CRE4** Greenhouse gas emissions intensity from new construction and redevelopment activity
- **CRE6** Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system
- **CRE8** Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment

**\*The above subject matter only covers CDL's Singapore operations. For the indicators covered in our scope of assurance, all quantitative assertions and certain qualitative assertions have been assured.**

### What we did to form our conclusions

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

1. Inquiries with CDL's CSR team to
  - a. Understand principal business operations,
  - b. Appreciate key sustainability issues and developments,
  - c. Map out information flow for sustainability reporting and the controls on information collation,
  - d. Identify data providers with their responsibilities, and
  - e. Recognise the likelihood of possible manipulation of sustainability data.
2. Undertake multiple visits to CDL's offices
3. Conduct process walk-through of systems and processes for data aggregation and reporting, with relevant personnel to understand the quality of checks and control mechanisms, assessing and testing the controls in relation to the concerned subject matters in the Report
4. Interviews with employees and management (CSR committee, human resources, property & facilities management, marketing, environment health & safety, customer service, internal audit, enterprise risk management, projects, corporate secretarial

services) to understand key sustainability issues related to the select indicators and processes for the collection and accurate reporting of performance information

5. Obtain documentation through sampling methods to verify assumptions, estimations and computations made by management in relation to the concerned subject matters in the Report
6. Checking that data and statements had been correctly transcribed from corporate systems and / or supporting evidence, into the Report
7. Obtain various certifications, audit reports and financial statement report in relation to the concerned subject matters in the Report

### Our independence

EY has provided independent assurance services in relation to CDL's Sustainability Report 2016.

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

### Observations and areas for improvement

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

### Conclusion

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



**Ernst & Young LLP**  
**Signed for Ernst & Young LLP by**  
**K Sadashiv**  
**Partner, Climate Change and Sustainability Services**  
**Singapore, 19 April 2016**

## GRI CONTENT INDEX



Materiality  
Disclosures  
City Developments Limited

May 2016

Service

## GRI G4 In Accordance – Comprehensive

General Standard Disclosure		Page reference and reasons for omissions, if applicable	Externally Assured (Y/N)
<b>Strategy and Analysis</b>			
G4-1	Statement from the most senior decision-maker of the organization	2-7	N
G4-2	Description of key impacts, risks, and opportunities	3-7	N
<b>Organizational Profile</b>			
G4-3	Name of the organization	1	N
G4-4	Primary brands, products, and services	9, AR 2015 (34-35)	N
G4-5	Location of the organization's headquarters	9	N
G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	9, AR 2015 (34-35)	N
G4-7	Nature of ownership and legal form	9, AR 2015 (35)	N
G4-8	Markets served	9, AR 2015 (34-35)	N
G4-9	Scale of the organization	84, AR 2015 (86, 117-118)	N
G4-10	Employees Profile	84-87	N
G4-11	Percentage of total employees covered by collective bargaining agreements	81	N
G4-12	Organization's supply chain	70	N
G4-13	Significant changes during the reporting period	2-7, 26-27, AR 2015 (16-22)	N
G4-14	Whether and how the precautionary approach or principle is addressed by the organization	35-37, AR 2015 (63-67)	N
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	29-30, 33, 38-39	N
G4-16	Memberships of associations	73	N
<b>Identified Material Aspects and Boundaries</b>			
G4-17	List entities included in the organization's consolidated financial statements or equivalent documents	9, AR 2015 (34-35)	N
G4-18	Process for defining the report content and the Aspect Boundaries and how the organization has implemented the Reporting Principles for Defining Report Content	14	N
G4-19	List all the material Aspects identified in the process for defining report content	16, 19	N
G4-20	For each material Aspect, report the Aspect Boundary within the organization	19	N
G4-21	Report the Aspect Boundary outside the organization	19	N
G4-22	Explanation effect of any restatements of information provided in previous reports, and the reasons for such restatements	20	N
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	20-21	N
<b>Stakeholder Engagement</b>			
G4-24	List of stakeholder groups engaged by the organization	15, 64-65	N
G4-25	Basis for identification and selection of stakeholders with whom to engage	14-15, 63	N
G4-26	Approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	14-15, 63-65	N
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded	64-65	N
<b>Report Profile</b>			
G4-28	Reporting period for information provided	20	N
G4-29	Date of most recent previous report	20	N
G4-30	Reporting cycle	20	N
G4-31	Contact point for questions regarding the report or its contents	21	N
G4-32	Report on 'in accordance' option, GRI Content Index, reference to the External Assurance	20-21	N
G4-33	Policy and current practice with regard to seeking external assurance for the report	21, 88-104	N

General Standard Disclosure		Page reference and reasons for omissions, if applicable	Externally Assured (Y/N)
<b>Governance</b>			
G4-34	Governance structure of the organization	11, AR 2015 (28-33, 37)	N
G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	11	N
G4-36	Whether organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	11	N
G4-37	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics	29-30	N
G4-38	Composition of the highest governance body and its committees	11, AR 2015 (28-33, 37)	N
G4-39	Whether the Chair of the highest governance body is also an executive officer	AR 2015 (43-44)	N
G4-40	Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members	AR 2015 (38, 42-46)	N
G4-41	Processes in place for the highest governance body to ensure conflicts of interest are avoided	AR 2015 (38, 42-44)	N
G4-42	Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts	29, 35-37	N
G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	83-84, AR 2015 (40-41)	N
G4-44	Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics	AR 2015 (47-48)	N
G4-45	Highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities	35-37, AR 2015 (53-55)	N
G4-46	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	35-37, AR 2015 (53-55)	N
G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities	AR 2015 (39)	N
G4-48	Highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered	20	N
G4-49	Process for communicating critical concerns to the highest governance body	31-32, 66	N
G4-50	Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them	31-32, 64-66	N
G4-51	Remuneration policies for the highest governance body and senior executives	AR 2015 (48-52)	N
G4-52	Process for determining remuneration	81-82, AR 2015 (48-50)	N
G4-53	How stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals	81-82, AR 2015 (48-52)	N
G4-54	Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country	Not disclosed due to the commercial sensitivity given the highly competitive human resource environment.	N
G4-55	Ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country	Not disclosed due to the commercial sensitivity given the highly competitive human resource environment.	N
<b>Ethics and Integrity</b>			
G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	31-34	N
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines	31-32, 66	N
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	31-32, 66	N

## GRI CONTENT INDEX

Specific Standard Disclosures		Page reference and reasons for omissions, if applicable	Externally Assured (Y/N)
<b>Category: Economic</b>			
<b>Aspect: Economic Performance</b>			
G4-DMA	Generic Disclosures on Management Approach (DMA)	2-7, 23, 26-27, AR 2015 (16-22)	N
G4-EC1	Direct economic value generated and distributed	23-24, 75-77 AR 2015 (117-118)	Y
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change and other sustainability issues	41, 55-58, AR 2015 (66-67)	N
G4-EC3	Coverage of the organization's defined benefit plan obligations	82	Y (91-93)
G4-EC4	Significant financial assistance received from government	CDL is not at liberty to disclose this information as the Company is bound by confidentiality.	N
<b>Aspect: Market Presence</b>			
G4-DMA	DMA	9, AR 2015 (16-22, 83-85)	N
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	Disclosure is not applicable as there is no minimum wage system in Singapore. Furthermore, CDL's direct hires are skilled technical and professional employees whose pay is not linked to particular laws concerning minimum wage.	Y (91-93)
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	84	Y (91-93)
<b>Aspect: Indirect Economic Impacts</b>			
G4-DMA	DMA	3-7, 41, 55, 63	N
G4-EC7	Development and impact of infrastructure investments and services supported	55-59	N
G4-EC8	Significant indirect economic impacts, including the extent of impacts	13, 42-51, 55-59, 75-77	N
<b>Aspect: Procurement Practices</b>			
G4-DMA	DMA	33, 51	N
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	Majority of our business expenditure in Singapore is on locally-registered companies.	N
<b>Category: Environmental</b>			
<b>Aspect: Materials</b>			
G4-DMA	DMA	50-51	N
G4-EN1	Materials used by weight or volume	51	Y (91-93)
G4-EN2	Percentage of materials used that are recycled input materials	51	Y (91-93)
<b>Aspect: Energy</b>			
G4-DMA	DMA	41,45	N
G4-EN3	Energy consumption within the organization	46	Y (88-90)
G4-EN4	Energy consumption outside of the organization	46	N
G4-EN5	Energy intensity	46	Y (91-93)
G4-EN6	Reduction of energy consumption	47	Y (91-93)
G4-EN7	Reductions in energy requirements of products and services	45, 56-57	Y (91-93)
CRE 1	Building energy intensity	46	Y (91-93)
<b>Aspect: Water</b>			
G4-DMA	DMA	41, 47-48	N
G4-EN8	Total water withdrawal by source	49	N
G4-EN9	Water sources significantly affected by withdrawal of water	47-49	N
G4-EN10	Percentage and total volume of water recycled and reused	48	Y (91-93)
CRE 2	Building water intensity	49	Y (91-93)

Specific Standard Disclosures		Page reference and reasons for omissions, if applicable	Externally Assured (Y/N)
<b>Aspect: Biodiversity</b>			
G4-DMA	DMA	41, 52	N
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Disclosure is not applicable as CDL's development projects are not located within protected areas.	N
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	52	Y (91-93)
G4-EN13	Habitats protected or restored	Disclosure is not applicable as CDL's development projects are not located within protected areas.	N
G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	52	N
<b>Aspect: Emissions</b>			
G4-DMA	DMA	41	
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	42	Y (88-90)
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	42	Y (88-90)
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	42	Y (88-90)
G4-EN18	Greenhouse gas (GHG) emissions intensity	43	Y (91-93)
G4-EN19	Reduction of greenhouse gas (GHG) emissions	13, 47	Y (91-93)
CRE 3	Greenhouse gas emissions intensity from buildings	43	Y (91-93)
CRE 4	Greenhouse gas emissions intensity from new construction and redevelopment activity	43	Y (91-93)
G4-EN20	Emissions of ozone-depleting substances (ODS)	Disclosure is not material to CDL.	N
G4-EN21	NOX, SOX, and other significant air emissions	Disclosure is not material to CDL.	N
<b>Aspect: Effluents and Waste</b>			
G4-DMA	DMA	41, 50	N
G4-EN22	Total water discharge by quality and destination	48-49	N
G4-EN23	Total weight of waste by type and disposal method	50	Y (91-93)
G4-EN24	Total number and volume of significant spills	Disclosure is not applicable for the real estate and construction industry in Singapore.	N
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	Disclosure is not applicable for CDL's operations in Singapore.	N
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	Disclosure is not applicable as CDL's operations do not significantly affect any water bodies.	N
<b>Aspect: Products and Services</b>			
G4-DMA	DMA	41, 55	N
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	32-33, 44-53, 55-59	N
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	Disclosure is not applicable for CDL's operations in Singapore.	N
<b>Aspect: Compliance</b>			
G4-DMA	DMA	32-34, 52	N
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	52	Y (91-93)

## GRI CONTENT INDEX

Specific Standard Disclosures		Page reference and reasons for omissions, if applicable	Externally Assured (Y/N)
<b>Aspect: Overall</b>			
G4-DMA	DMA	32, 51	N
G4-EN31	Total environmental protection expenditures and investments by type	51, 75	N
CRE 5	Land remediated and in need of remediation for the existing or intended land use, according to applicable legal designations	Disclosure is not applicable as land use and development is governed by Master Plan under the jurisdiction of the Urban Redevelopment Authority in Singapore.	N
<b>Aspect: Supplier Environmental Assessment</b>			
G4-DMA	DMA	33, 51	N
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	33, 51	Y (91-93)
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	Where possible, we influence our supply chain through our requirement for builders and suppliers to abide with our EHS policy and EHS 5-Star audit requirements. In addition, CDL has a set of green procurement.	N
<b>Aspect: Environmental Grievance Mechanisms</b>			
G4-DMA	DMA	53, 64-65, 73	N
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	52-53	N
<b>Category: Social</b>			
<b>Sub-Category: Labor Practices and Decent Work</b>			
<b>Aspect: Employment</b>			
G4-DMA	DMA	79	N
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	84-85	Y (91-93)
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	81	Y (91-93)
G4-LA3	Return to work and retention rates after parental leave, by gender	81	Y (91-93)
<b>Aspect: Labor/Management Relations</b>			
G4-DMA	DMA	66, 79, 81	N
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	84	Y (91-93)
<b>Aspect: Occupational Health and Safety</b>			
G4-DMA	DMA	79-80	N
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	80	Y (91-93)
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	79-80	Y (91-93)
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	79	N
CRE 6	Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system	29, 70-71, 79	N
G4-LA8	Health and safety topics covered in formal agreements with trade unions	Disclosure is not applicable as CDL is not a unionised company.	N
<b>Aspect: Training and Education</b>			
G4-DMA	DMA	79, 83	N
G4-LA9	Average hours of training per year per employee by gender, and by employee category	83	Y (91-93)
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	83-84	Y (91-93)
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	82	Y (91-93)
<b>Aspect: Diversity and Equal Opportunity</b>			
G4-DMA	DMA	86	N
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	86-87, AR 2015 (28-33)	N

Specific Standard Disclosures		Page reference and reasons for omissions, if applicable	Externally Assured (Y/N)
<b>Aspect: Equal Remuneration for Women and Men</b>			
G4-DMA	DMA	86	N
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	86	Y (91-93)
<b>Aspect: Supplier Assessment for Labor Practices</b>			
G4-DMA	DMA	32-33, 64, 70-71	N
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	79-80	N
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	70-71	N
<b>Aspect: Labor Practices Grievance Mechanisms</b>			
G4-DMA	DMA	66	N
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	66	N
<b>Sub-Category: Human Rights</b>			
<b>Aspect: Investment</b>			
G4-DMA	DMA	32	N
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	80-81	N
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	83	N
<b>Aspect: Non-Discrimination</b>			
G4-DMA	DMA	80, 86	N
G4-HR3	Total number of incidents of discrimination and corrective actions taken	80	Y (91-93)
<b>Aspect: Freedom of Association and Collective Bargaining</b>			
G4-DMA	DMA	81	N
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	Disclosure is not material to CDL.	N
<b>Aspect: Child Labor</b>			
G4-DMA	DMA	80-81	N
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	70-71, 80-81	N
<b>Aspect: Forced or Compulsory Labor</b>			
G4-DMA	DMA	80-81	N
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	70-71, 80-81	N
<b>Aspect: Assessment</b>			
G4-DMA	DMA	32	N
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	32, 70-71	N
<b>Sub-Category: Society</b>			
<b>Aspect: Local Communities</b>			
G4-DMA	DMA	63, 73-75	N
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	65, 67, 75-77	Y (91-93)
G4-SO2	Operations with significant actual and potential negative impacts on local communities	Disclosure is not applicable in Singapore as the Government has a Master Plan for urban planning to manage impacts on the local community.	N
CRE 7	Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project	Disclosure is not applicable in Singapore as the Government has a Master Plan for urban planning to manage impacts on the local community.	N

## GRI CONTENT INDEX

Specific Standard Disclosures		Page reference and reasons for omissions, if applicable	Externally Assured (Y/N)
<b>Aspect: Anti-Corruption</b>			
G4-DMA	DMA	31, 34, AR 2015 (61)	N
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	31	Y (91-93)
G4-SO4	Communication and training on anti-corruption policies and procedures	34	Y (91-93)
G4-SO5	Confirmed incidents of corruption and actions taken	34	Y (91-93)
<b>Aspect: Anti-Competitive Behavior</b>			
G4-DMA	DMA	32	N
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	34	N
<b>Aspect: Compliance</b>			
G4-DMA	DMA	34	N
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	34, 52-53	Y (91-93)
<b>Aspect: Supplier Assessment for Impacts on Society</b>			
G4-DMA	DMA	70-71, 73-74	N
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	70, 80-81	N
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	70-71, 79-80	N
<b>Aspect: Grievance Mechanisms for Impacts on Society</b>			
G4-DMA	DMA	32, 64-65	N
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	34, 52-53	N
<b>Sub-Category: : Product Responsibility</b>			
<b>Aspect: Customer Health and Safety</b>			
G4-DMA	DMA	74	N
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	69, 74	N
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	34	N
<b>Aspect: Product and Service Labeling</b>			
G4-DMA	DMA	55, 66-68	N
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	55, 57	Y (91-93)
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	34	N
G4-PR5	Results of surveys measuring customer satisfaction	67	Y (91-93)
CRE 8	Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment	29, 38, 60-61	Y (91-93)
<b>Aspect: Marketing Communications</b>			
G4-DMA	DMA	33	N
G4-PR6	Sale of banned or disputed products	Disclosure is not applicable as the Company does not sell banned or disputed products.	N
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	34	N
<b>Aspect: Customer Privacy</b>			
G4-DMA	Generic Disclosures on Management Approach	32, 69	N
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	69	N
<b>Aspect: Compliance</b>			
G4-DMA	DMA	34	N
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	34	Y (91-93)

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

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