

News Release

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CDL INTEGRATED SUSTAINABILITY REPORT 2019

ACCELERATING ACTION FOR SUSTAINED GROWTH IN A LOW-CARBON ECONOMY AND CLIMATE-RESILIENT FUTURE

- *First Singapore real estate company to set carbon emissions intensity reduction target of 59% as validated by Science Based Targets Initiative*
- *First Singapore real estate company to complete a Climate Change Scenario Planning Study based on recommendations by Task Force on Climate-related Financial Disclosures*
- *Pioneered adoption of Renewable Energy Certificates procurement through a blockchain-enabled platform in Singapore*
- *Pledged to achieve at least one Super Low Energy building in the next five years*
- *Achieved more than S\$24 million in savings due to energy-efficient initiatives and retrofitting at eight office buildings from 2012 to 2018*

In tandem with its Annual Report, City Developments Limited (CDL) has released its Integrated Sustainability Report (ISR) 2019 “*Changing the Climate: Towards Future Value 2030 Goals*”. The digital report communicates CDL’s progress towards its material Environmental, Social and Governance (ESG) goals and targets established under the CDL Future Value 2030 Sustainability Blueprint. This future-fit blueprint drives CDL’s integrated sustainability strategy towards 2030, a milestone year for global climate agreement and sustainable development.

With the global push for a low carbon economy and climate-resilient future, as well as Singapore’s carbon tax, the theme for CDL’s ISR 2019 highlights how the company has continued to accelerate its climate actions and encourage greater adoption of sustainability best practices among companies.

Mr Sherman Kwek, CDL Group Chief Executive Officer, said, “Climate change has become a mainstream political, business and social issue. Today’s investors and consumers are also increasingly expecting socially responsible brands and products. The benefits of climate action are greater than ever before, while the costs of inaction continue to mount. For more than two decades, CDL has integrated sustainability into all aspects of our business and we continue to accelerate our actions to tackle climate change. These efforts will not only improve our ESG performance but also unlock the opportunities in a climate-resilient economy, and future-proof our business for sustained growth.”

Accelerating actions against climate change

According to the World Meteorological Organisation, 2015 to 2018 were the four hottest years on record¹. Satellite data from NASA revealed the alarming fact that Singapore is heating up twice as fast as the rest of the globe, at 0.25°C per decade. Scientific evidence about the speed of climate change urges businesses to take unprecedented transformative actions for progress towards a low-carbon economy.

In 2018, CDL raised its carbon emission intensity reduction target across its Singapore operations from 38% to 59% by 2030 from base-year 2007. It also became the first real estate company in Singapore to have its carbon emissions reduction target assessed and validated

¹ Analysis report by the World Meteorological Organisation (WMO), 6 February 2019

by the [Science Based Targets Initiative \(SBTi\)](#). Having attained a 32% reduction in 2018, CDL is on track to achieve its target.

That year, CDL was also the first real estate company in Singapore to complete a Climate Change Scenario Planning Study, based on the recommendations by the [Task Force on Climate-related Financial Disclosures \(TCFD\)](#). The study considered two scenarios where global temperatures rise by 2°C and 4°C and aims to raise CDL's business resilience and readiness for potential climate-related risks. Planning is underway to expand the study to a 1.5°C warmer scenario, a preferred level highlighted by the landmark Intergovernmental Panel on Climate Change Report released in November 2018.

Advancing its sourcing strategy for renewable energy in 2018, CDL became one of the two pioneer buyers for Renewable Energy Certificates (RECs) in Singapore using a blockchain-enabled platform that offers convenient, seamless and secure digital transactions by the SP Group. Tapping on this innovative REC marketplace, CDL procured RECs from solar providers with a view to raise the use of renewable energy. By procuring locally-sourced RECs, all electricity consumed by the operations of CDL's headquarters in 2018 can be attributed to renewable sources.

When the Singapore Government introduced a new standard for Super Low Energy (SLE) non-residential buildings, CDL was among the first 14 developers and building owners to pledge their commitment to achieve at least one SLE project in the next five years. To achieve SLE status, buildings need to attain at least 60% energy savings based on the 2005 building code by adopting energy-efficient measures and on-site renewable energy.

CDL's investment in raising energy efficiency has lowered its carbon footprint and proved to be a strong business case. From 2012 to 2018, CDL achieved more than S\$24 million in savings due to energy-efficient initiatives and retrofitting at eight of its commercial buildings.

Fulfilling investors' demand for enhanced ESG disclosures

2018 was the first year that Singapore listed companies were required by the Singapore Exchange to issue sustainability reports on a 'comply-or-explain' basis. Globally, financial institutions recognise that their lending and investment decisions have a major impact on making the transition to a climate-resilient economy. Financiers are also increasingly pegging lending rates to the ESG performance of corporate borrowers. Leveraging its comprehensive, consistent and transparent ESG disclosures, CDL is well-positioned to lower its cost of capital by tapping on sustainable financing.

As an early adopter of sustainability reporting, CDL was the first Singapore company to issue a Global Reporting Initiative (GRI)-checked sustainability report in 2008 and has consistently aligned its sustainability reporting with leading global standards and frameworks such as the International Integrated Reporting Council's (IIRC) Integrated Reporting Framework since 2015, as well as TCFD and Sustainable Development Goals Reporting since 2016. In a report by the Centre for Governance, Institutions and Organisations, "2018 Sustainability Reporting in Singapore", CDL was ranked the top company.

To ensure accuracy and transparency, CDL's 2019 and 12th sustainability report is independently assured by Ernst & Young in accordance with International Standard on Assurance Engagements 3000 (Revised), and its greenhouse gas emissions disclosures are externally verified in accordance with ISO 14064.

CDL's 2019 ISR and more information on CDL's sustainability efforts can be found on www.cdlsustainability.com

For media enquiries, please contact:

Belinda Lee
Head, Investor Relations and
Corporate Communications
City Developments Limited
(Regn No: 196300316Z)

Tel: (65) 6877 8315
Email: belindalee@cdl.com.sg

Tan Hock Lee
Senior Manager,
Corporate Communications
City Developments Limited

Tel: (65) 6877 8369
Email: hocklee@cdl.com.sg

Follow CDL on social media:

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