

CITY DEVELOPMENTS LIMITED
Sustainability Report 2009

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CDL's corporate strategy of evolving in anticipation and responding to new challenges has made us a leading practitioner of corporate social responsibility in Singapore. Our metamorphosis has dramatically transformed our business landscape and our engagement in the social and environmental arena has brought forth much positive impact.

Through our affirmative action as described in this report, join us in our journey as we continue to morph and progress into new stages of advancement.

MESSAGE FROM THE MANAGING DIRECTOR



Dear Stakeholders,

In 2008, the global financial crisis cited by some as possibly the worst the world has encountered since The Great Depression in 1929, has had a devastating impact on the economies around the world. By most counts, a recovery in 2009 seems unlikely.

Many corporations have reported weaker financial performance in 2008 and prospects for 2009 remain uncertain. Thus, it becomes even more challenging for corporations to not lose sight of their Corporate Social Responsibility (CSR) commitments when incorporating cost-cutting measures within the Company.

The on-going financial and social impact will continue to unfold and what is certain is that corporations and communities alike must brace themselves and support each other during these challenging times. The societies which do so will be the ones that will emerge fundamentally stronger and recover faster than the others.

We recognise that during these difficult times, the larger community has pressing needs and require our support more so than ever. CSR is an integral part of our vision and mission and during this economic recession, we remain steadfast in our CSR efforts for the long-term sustainability of our business. We are pleased to report that our CSR commitment in 2008 has not wavered and we have no intention to scale down on our efforts in 2009.

In fact, this crisis has provided us with the challenge to stretch our resources more creatively, so that our efforts will create a larger and more positive CSR impact on our business and community.

CDL's CSR journey in 2008 has been industrious and there has been much development not only within CDL but for the CSR movement in Singapore. Reception to our first published dedicated report last year has been very encouraging. We have received very positive response from the media, investor and business community and even the academia.

Beyond the report, we have dedicated much effort to sharing our experience at CSR-related conferences, seminars and events. It is heartening to see that more corporations in Singapore are taking a keen interest in CSR and placing greater emphasis on the importance of CSR disclosure. We are encouraged by the progress and we will continue to work closely with non-governmental organisations such as Singapore Compact for CSR to further promote the cause.

Recognisably, CDL is still a novice in the practice of CSR. However, we are fully committed to sustaining our efforts, elevating our standards and practices and exploring innovative ways to reach new levels of excellence in CSR.

Internally, we have also formed our CSR Committee and taken greater steps to review and structure CSR within the Company. This way, we can better integrate CSR within the business processes, enhance our current capabilities and facilitate the planning of CSR initiatives and targets for sustainability. To enable us to better understand our CSR position, we held a workshop, bringing together all parts of our business, to identify the key CSR risks and opportunities that we face as a company. From this workshop, we have set action plans to further minimise our CSR risks and build on our opportunities. There has also been active stakeholder engagement throughout the year in our continued efforts to refine and develop our CSR programmes.

In our continuous pursuit to improve our business performance and to better integrate CSR into our business, we have also achieved the successful incorporation of the ISO 14001 Environmental Management System for Corporate Management and Operations covering all HQ activities, such that all parts of our business are now covered by ISO 14001. We have also gained Singapore Quality Class certification that is based on an internationally-benchmarked business excellence framework which encompasses seven key areas of the business operations.

I am glad to report that we have met many of our targets set for 2008. For instance, our collective effort in energy conservation has led to a 5% reduction in total energy use in 2008. In our ever-evolving CSR journey, we are spurred to continue refining our CSR programmes, methodology and measurements, so that CDL can morph into an even better and more sustainable company that is of value and a source of pride in the community.

Kwek Leng Joo
Managing Director



“Recognisably, CDL is still a novice in the practice of CSR. However, we are fully committed to sustaining our efforts, elevating our standards and practices and exploring innovative ways to reach new levels of excellence in CSR.”



FROM
BUSINESS FIRST

TO
THE TRIPLE BOTTOM LINE

At CDL, we believe that a successful corporation cannot be founded on financial and business achievements alone.

Transforming our business strategy for long-term sustainability, we measure ourselves based on the triple bottom line approach. Taking into account our social, economic and environmental performance, we believe that this provides a holistic business model to propel our Company towards further growth for the benefit of all our stakeholders.



Chapter 1

CDL – LEADING THE INDUSTRY, CONSERVING THE ENVIRONMENT, CARING FOR THE COMMUNITY



The Sail @ Marina Bay, Singapore's tallest residences.

CORPORATE PROFILE

Singapore's property pioneer since 1963, City Developments Limited (CDL) is a listed international property and hotel conglomerate involved in real estate development and investment, hotel ownership and management, facilities management, as well as the provision of hospitality solutions.

With an extensive network of more than 300 subsidiaries and associated companies under its wings, CDL also has five companies listed on notable stock exchanges in New Zealand, Hong Kong, London and Philippines.

CDL currently owns and manages a strong portfolio of residential and investment properties, in addition to hotels, across Asia, Europe, North America and New Zealand/Australia.

In Singapore, CDL holds an impressive track record of having developed over 22,000 luxurious and quality homes to its name. As one of the biggest landlords in Singapore, CDL owns over four million square feet of lettable office, industrial, retail and residential space.

CDL also owns one of the largest land banks amongst private developers, with over four million square feet that has the potential of being developed into over eight million square feet of gross floor area.

Beyond establishing a distinctive imprint on the Singapore cityscape, CDL's local presence is matched by the strategic growth of its international business. CDL's global presence is led by its diversification into hospitality management and the acquisition of hotel assets through CDL's London-listed subsidiary, Millennium & Copthorne Hotels plc (M&C). As one of the world's largest hotel groups, M&C owns, asset

manages and/or operates 103 hotels in 18 countries around the world. The Hong Kong-listed City e-Solutions Limited is another subsidiary of CDL dedicated towards providing technology solutions for the global hospitality industry.

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

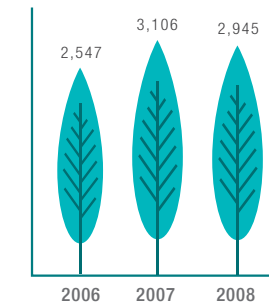
At CDL, we view our role as more than just a builder of living spaces, but also a developer of lives and communities. Stemming from a strong tradition of giving back to society, we believe that a successful corporation is defined beyond business achievements and measured by the positive contributions it makes to society and towards environmental sustainability.

Since the 1990s, CSR has been an integral part of CDL's vision and mission. It has become a guiding principle by which we conduct our business and engage with our stakeholders and the larger community so as to build an enduring and sustainable organisation. We value each encounter, whether it be with our investors, customers, employees, contractors and suppliers as well as the community.

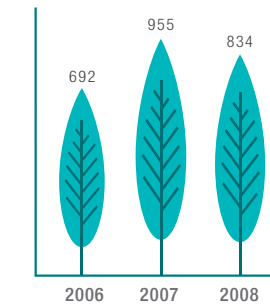
We continually seek ways to raise the bar and take bold steps to create a better quality of life for the community and environment where we live, work, play and invest.

FINANCIAL HIGHLIGHTS

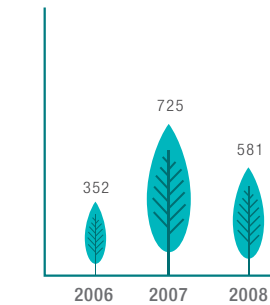
Revenue
S\$million



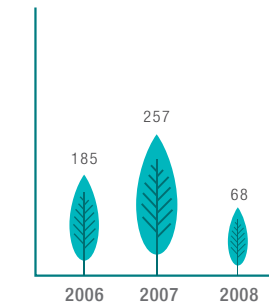
Profit Before Income Tax
S\$million



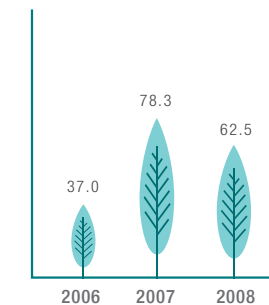
Profit for the Year Attributable to Equity Holders of the Company
S\$million



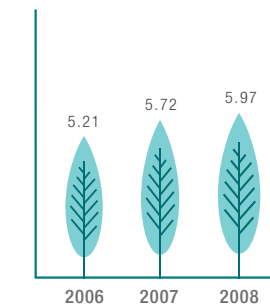
Ordinary Dividend (net)
S\$million



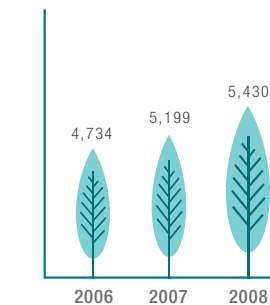
Basic Earnings per Share
cents



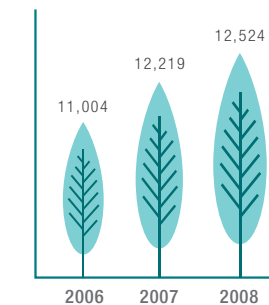
Net Asset Value per Share
S\$



Shareholders' Equity
S\$million



Total Assets
S\$million



For more information on CDL's financial performance, please visit www.cdl.com.sg.

10-YEAR FINANCIAL SUMMARY

YEAR	1999	2000 ⁽³⁾	2001 ⁽³⁾	2002	2003	2004 ⁽³⁾	2005	2006	2007	2008
Revenue	S\$2,015m	S\$2,626m	S\$2,227m	S\$2,289m	S\$2,326m	S\$2,380m	S\$2,374m	S\$2,547m	S\$3,106m	S\$2,945m
Profit before tax	S\$513m	S\$546m	S\$139m	S\$243m	S\$214m	S\$503m	S\$404m	S\$692m	S\$955m	S\$834m
Profit for the year attributable to equity holders of the Company	S\$383m	S\$287m	S\$54m	S\$151m	S\$152m	S\$227m	S\$200m	S\$352m	S\$725m	S\$581m
Net gearing ratio	0.54	0.76	0.86	0.80	0.64	0.55	0.50	0.40	0.48	0.48
Return on equity	11.1%	7.3%	1.4%	3.9%	3.3%	5.2%	4.4%	7.4%	13.9%	10.7%
Net asset value per share	S\$4.28	S\$4.86	S\$4.71	S\$4.82	S\$5.56	S\$4.99	S\$5.12	S\$5.21	S\$5.72	S\$5.97
Basic earnings per share	47.8 cents	35.8 cents	6.7 cents	18.9 cents	18.8 cents	25.3 cents	20.8 cents	37.0 cents	78.3 cents	62.5 cents
DIVIDENDS										
a) Ordinary dividend (gross) per share										
- final	7.5 cents	7.5 cents	7.5 cents	7.5 cents	7.5 cents	7.5 cents	7.5 cents	7.5 cents	7.5 cents ⁽¹⁾	7.5 cents⁽²⁾
- special interim	-	-	-	-	-	-	-	7.5 cents	10.0 cents	-
- special final	-	-	-	-	50.0 cents	-	5.0 cents	10.0 cents	12.5 cents ⁽¹⁾	-
b) Preference dividend (net) per share	-	-	-	-	-	2.19 cents	3.90 cents	3.90 cents	3.90 cents	3.90 cents⁽¹⁾

Notes:

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

⁽²⁾ Final tax exempt (one-tier) ordinary dividend for the financial year ended 31 December 2008 had been approved by the ordinary shareholders at the Annual General Meeting held on 29 April 2009 and paid on 22 May 2009.

⁽³⁾ Certain accounting policies or accounting standards had changed in the financial years 2001, 2002 and 2005. Only the financial information presented above for each of the years immediately preceding 2001, 2002 and 2005 had been restated to reflect the relevant changes in accounting policies or accounting standards.

ABOUT THIS REPORT

The CDL Sustainability Report (previously known as the CDL Social and Environmental Report) is an annual publication detailing our economic, social and environmental activities and performance. It shares about our engagement with stakeholders and addresses the social and environmental impacts that are pertinent to our business in 2008.

The report focuses on our principal business as a property developer. Specifically, it takes a deeper look at our operational functions in project development and property management of both residential as well as commercial developments in Singapore. It describes our activities which take into consideration the well-being of the community and environment in which we operate.

In the past year, we have focused on making further progress and improvements in our social and environmental performance. In particular, much effort and success has been achieved in the latter, especially in the area of energy reduction as reflected in the data shown in the report. We have also incorporated the ISO 14001 and Singapore Quality Class (SQC) systems across the Company to further integrate CSR into our business.

This is the Company's second dedicated report on sustainability. CDL is voluntarily disclosing the information as the Company respects and upholds the principle of corporate transparency and open communication.

SCOPE OF THE REPORT

This report covers solely our Singapore operations. Our subsidiary, M&C, shares its CSR activities in its Annual Report which is available at www.millenniumhotels.com.

STANDARDS OF MEASUREMENT

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



STATISTICS AND REPORTING PERIOD

This report primarily focuses on the activities which CDL was engaged in for the year 2008. We have, wherever possible and relevant, provided statistics over a minimum period of four years from 2005 to 2008 where material. The statistics cover the reporting period from 1 January 2005 to 31 December 2008 so as to provide meaningful data for comparison and measurement.

We have remained steadfast to our aim of continuously reviewing and refining our methodology and expanding our efforts of collecting and compiling more comprehensive data on our environmental impact and social performance of our business operations in Singapore. We are happy to state that for this report, we have presented additional data to provide a more comprehensive understanding of our activities and performance.

We expect that the report will continue to evolve over the coming years as we focus on improving our environmental and social data management to enhance our reporting and accountability.

ASSURANCE

CDL has engaged Ère-S, a CSR consulting company, to review the content of this report and validate the accuracy and reliability of all statements, figures and management processes related to sustainability for the reporting period. The audit covered the relevant Key Performance Indicators, policies and procedures as well as the data sources and collection methods. The audit report including the findings is summarised in the independent assurance statement on page 83.

ACCESSIBILITY

As part of our environmental conservation efforts, only a limited number of copies of this report have been printed. However, this report can be downloaded from our website at www.cdl.com.sg.

FEEDBACK CHANNEL

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

Ms Esther An

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

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



FROM
VISION AND STRATEGY

TO
GROWING RESPONSIBLY

As Singapore's leading property pioneer, CDL has the vision and foresight to put in place management approaches and CSR practices to deliver quality products, service excellence and innovative initiatives in the industry for our stakeholders.

We have remained focused and nimble to anticipate evolving market challenges and will continue to seize new growth opportunities to create new benchmarks of sustainable business excellence.

Chapter 2

CSR ENGAGEMENT FOR THE BUSINESS

CSR VISION

To be a leader in business and a champion of CSR.

CSR MISSION STATEMENT

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

COMMITMENT TO STAKEHOLDERS

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

Our Customers:

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

Our Investors:

To maintain profitability and achieve optimum returns for their investment.

Our Employees:

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

Our Suppliers:

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

The Community:

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

IMPORTANCE OF CSR ENGAGEMENT

As a leading property developer in Singapore for over 45 years, we strive towards delivering beyond what is expected. At the heart of our corporate vision is a focus on five core values – leadership in innovation, quality, service excellence, profitability and CSR. Our stakeholders have come to trust and depend on us to protect their interests and to go the extra mile.

CDL has been nurturing valuable relationships with our stakeholders. Towards this commitment, we have adopted a three-pronged approach as part of our corporate CSR strategy to *develop* quality residential and commercial properties with environmental sustainability in mind, to *manage* properties in a cost-effective and energy-efficient way as well as to *influence* our stakeholders through our outreach initiatives.

In this report, we will share our management approaches and stakeholder engagement practices which have enabled us to improve on our policies. With stakeholders' feedback, we have been able to develop positive long-term relationships with them, which have contributed to the sustainability of our business growth.

CDL is also a firm supporter of the Government's 3P model based on the belief that synergistic collaboration between the *People, Private and Public* sectors will bring about greater impact, resulting in better programmes for the benefit of our society.

Thus, CDL makes it a guiding principle to actively engage our stakeholders and work closely with government agencies and non-governmental organisations (NGOs) to respond to the needs of the community.

CSR remains a concept that is quite foreign to many in Singapore although it is encouraging to see a positive growing trend of interest. In 2008, we picked up the pace and worked closely with a broad range of organisations to promote CSR in Singapore. Beyond reaching out to other corporations, we advocated the importance of CSR to the investor community, the media, the academia and the youth.

We participated in wide-ranging events such as the Merrill Lynch Rising

CDL'S CSR OBJECTIVES

Corporate

Raise awareness of CSR within and outside of the Company
Achieve industry leadership position in CSR in Singapore
Establish a business framework for sustainable management and innovation

Financial, Corporate Governance and Risk Management

Maintain profitability and optimum returns for investment
Ensure good corporate governance and sound risk management
Create value for investors through financial and non-financial performance
Ensure the maintenance of an internationally-based management system for business excellence

Human Resource

Improve employees' competencies, maximise their potential for career development
Create a work environment that supports a corporate culture of work-life harmony
Improve employee's health and well-being
Achieve industry leadership position in Workplace Health and Work-life initiatives in Singapore

Environmental, Health and Safety (EHS)

Ensure the maintenance of an international management system for the environment
Achieve industry leadership position in green buildings in Singapore
Achieve ISO 14001 targets at both corporate and operational levels

Product Responsibility

Focus and reinforce on delivering quality and innovative products
Focus and reinforce on the development of green buildings
Create products that are value for money
Provide quality customer service

Supply Chain

Proactively engage contractors and suppliers on quality of work and commitment to EHS

Community

To serve and create a better living environment for the community
Proactively engage the community in synergistic collaborations and sustainable CSR programmes



Stars-Asian Conference on CSR, Junior Chamber International CSR Conference, Institute of Public Relations of Singapore Luncheon Talk on CSR, Singapore Institute of International Affairs CSR and Sustainable Development Public Conference and being an industry partner for the Asian Forum on CSR. To raise CSR awareness amongst tomorrow's leaders, we participated at the Singapore Management University Forum on Sustainability in Action and for three consecutive years from 2007 to 2009, we were also a key corporate partner of "NUS CSR Awareness Week" jointly organised by the National University of Singapore (NUS) CSR Student Movement, the MBA Students' Corporate Ethics Focus Group of NUS Business School, and supported by Singapore Compact for CSR.

We continue to work closely with Singapore Compact for CSR, having remained a founding committee member since its inception in 2005. Singapore Compact functions as a national society advocating CSR among the business community through awareness dialogues and workshops.

In 2008, CDL also endorsed the United Nations (UN) Caring for Climate statement to mobilise the business community to develop solutions to reduce climate risk. CDL was also one of the founding Singapore signatories of the UN Global Compact to lend support to the advancement of responsible corporate citizenship in Singapore in 2005.

Since 2002, CDL is the only Singapore developer to remain consecutively listed on the London FTSE4Good Index Series for working towards environmental sustainability, developing positive relationships with stakeholders and upholding and supporting universal human rights.

It is our hope that by sharing our CSR experience with the community, CSR will be more commonly practiced in our society.

ESTABLISHMENT OF A COMMITTEE

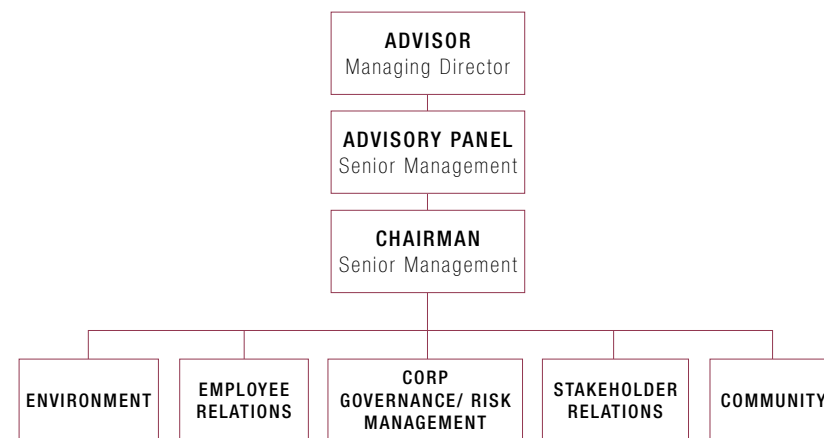
The incorporation of CSR that has since become integral to CDL's business was a corporate directive by the Company's top management. Without their foresight and support, much that we have achieved would not have been possible.

Social and environmental risks and opportunities have become a core global business issue for many businesses. Recognising this, CDL established the CSR Committee in 2008 to better align our CSR initiatives with our business strategy to achieve more dynamic integration of CSR into our business operations. This committee reports directly to our Managing Director Mr Kwek Leng Joo and the committee members comprising the senior management of the Company.

The senior management has, within the scope of CDL's corporate operations, determined that the Environment, Employee Relations, Corporate Governance and Risk Management, Stakeholder Relations and Community constitute key CSR areas material to the business. The CSR Committee will be responsible for CDL's CSR Key Performance Indicators (KPIs) and targets, formulating and managing programmes to improve CDL's social and environmental performance in these areas of focus. In the process, the committee has also formally established CDL's significant CSR issues and core stakeholders involved.

For the Environment, the CSR Committee is firm on CDL's commitment to continue our efforts to remain an industry leader in developing and managing green buildings. Core environmental aspects such as energy

CDL CSR Committee Structure:



and water conservation have also been identified with targets put in place across the business. Stakeholders such as our suppliers, contractors and consultants who play a key role in the supply chain have also been acknowledged and channels for engagement established to help us in our quest for improvement. For details, please refer to Chapter 4.

Issues such as possible improprieties, the importance of creating a fair workplace and improving employee competencies have also been highlighted as areas of focus for Employee Relations among other concerns. In this regard, our Whistle-Blowing Policy, the process of dealing with grievances and annual employee performance appraisal system comprises confidential communication channels to further engage our employees. For details, please refer to Chapter 5.

To improve CSR performance in the areas of Corporate Governance and Risk Management, doing beyond what is regulated and expected is important to reinforce our position as an industry leader. Efforts in this area will include higher levels of transparency with greater disclosure of CSR information and raising the CSR awareness of key stakeholders such as our investors. For details, please refer to Chapter 3 and page 21.

Stakeholder relations remain a priority as part of CDL's CSR engagement efforts. The areas of importance highlighted by the committee include stepping up on our outreach efforts and feedback channels of our stakeholders, such as our customers and suppliers, as well as determining the effectiveness of such engagement efforts. For details, please refer to pages 20 to 23.

One recurring issue with regard to community engagement highlighted by the committee remains the lack of internationally-recognised standardised tools for measurement of community outreach efforts. Thus, the committee has resolved to establish KPIs in this regard while retaining CDL's community efforts in the four core areas – the environment, the arts, youth development and the less fortunate. They include targets such as number of volunteer manhours achieved a year as well as the annual participation rate of employees. We have also been actively engaging our community stakeholders through constant dialogue and feedback. For details, please refer to Chapter 6.

CDL'S STRATEGIC ENVIRONMENTAL MANAGEMENT SYSTEMS

In 2003, the CDL top management articulated CDL's firm commitment to being a green and responsible developer with the establishment of the Environmental, Health and Safety (EHS) policy to create a "Safe and Green" culture. The policy sets the strategic direction for all departments to take practical efforts to ensure effective EHS management so as to create a "Green" culture, conserve resources and prevent pollution.



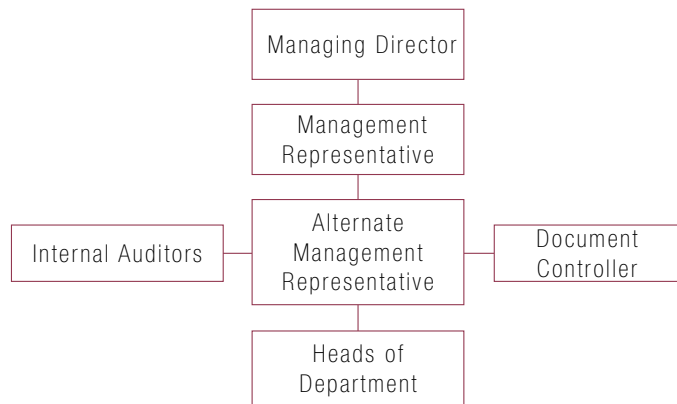
In line with CDL's EHS Policy, we embarked on formalising our Environmental Management Systems (EMS) to help set the framework for effective implementation and sustainability. All CDL employees are committed to improving on the Company's environmental performance. For details, please refer to Chapter 4.

The EMS Organisation is chaired by our Managing Director Mr Kwek Leng Joo and the appointed Management Representative champions the establishment, implementation and maintenance of the EMS and provides management guidance and corporate support across the Company.

All Heads of Department within the Company have operational responsibility for the corporate EMS and specifically, the Heads of Projects Division and Property & Facilities Management Division for the maintenance of their respective divisions' EMS.

In 2008, CDL created a new dedicated position of an EHS specialist. This new role is responsible for EHS management and will include that of Management Representative in the long run.

CDL Corporate Management and Operations EMS Organisational Structure:



RESPONDING TO CHALLENGES IN THE EVOLVING MARKETPLACE

For the last 10 years, CDL's commitment towards CSR had led to the creation of a CSR strategy and value-system which is the foundation of our CSR practice.

Given that CSR did not have an established foothold in the Singapore business community until recent years, our CSR practices were mostly developed through a course of active engagement with our stakeholders and on a "need-be" basis, developing what we felt were important CSR practices material to our business.

As there is currently no one consolidated international standard on CSR, this makes it difficult for us to create or to use an internationally prescribed framework to integrate and structure our CSR efforts. Nonetheless, as early as 2003, we have started to formalise our business processes, developing management systems in areas pertinent to CSR, such as the environment, quality, service, safety, etc. that comply with a national and/or international set of standards.

We believe it is important to formulate new benchmarks and re-evaluate current management systems to help us to continually review, refine and improve our business. They should also help us look ahead to anticipate and address the needs of our stakeholders and to provide a framework on how we can improve our business to better protect and enhance their interests.

2008 was a busy and challenging year for us as we prepared the Company to achieve the ISO 14001 certification (for all core and supporting divisions) as well as the Singapore Quality Class (SQC)⁽¹⁾ certification, details of which can be found in Chapter 4 and this chapter respectively. We are happy to report that we have already seen the fruits of our labour, having met our targets for ISO 14001 in 2008. Similarly, we are working relentlessly to achieve our SQC targets for 2009.

⁽¹⁾ Launched in 1997, SQC is based on an internationally-benchmarked business excellence framework, and its broad approach encompasses seven areas, namely, Leadership, Planning, Information, People, Processes, Customers and Results. For more details on SQC, please visit www.spring.gov.sg.

FOR OUR MARKET

In the last three years or so, the property industry has been driven by a green momentum as consumers, developers and the Government have become acutely aware of the urgency to go green in light of the climate change crisis. This is especially so as the Government has made the Building and Construction Authority (BCA) Green Mark certification mandatory for all new developments in April 2008. For details, please refer to page 25.

However, many challenges such as overcoming traditional mindsets, high cost to incorporate and maintain eco-features, encouraging more consumer buy-in and creating a demand to promote more research and development for cheaper green technologies remain.

Embracing the triple bottom line model, CDL has been dynamically developing financially marketable and sustainable green properties in Singapore for more than a decade. True to our corporate mission, we strive to create innovative and quality properties that can bring about the best value for our customers and investors while mitigating the impact on the environment.

As part of the design development process, we look beyond aesthetic and functional designs that our customers seek. CDL is an industry leader because we go the extra mile by incorporating features in our properties that not only anticipates the lifestyle needs of our customers but provide value-added eco-friendly elements to influence and encourage them to decrease their carbon footprint.

Towards this, we have set targets and measurements to maintain a consistently high level of standards of quality and sustainability in our properties.

We continue to invest between 2% and 5% of the construction cost of a development on green design and features, and strive to achieve at least a BCA Green Mark Gold rating for all new developments. As a measure of quality, we make every effort to ensure that CDL properties are well-placed on BCA's Construction Quality Assessment System (CONQUAS)⁽²⁾ ranking chart. CONQUAS is a standard assessment system on the quality of building projects in Singapore.



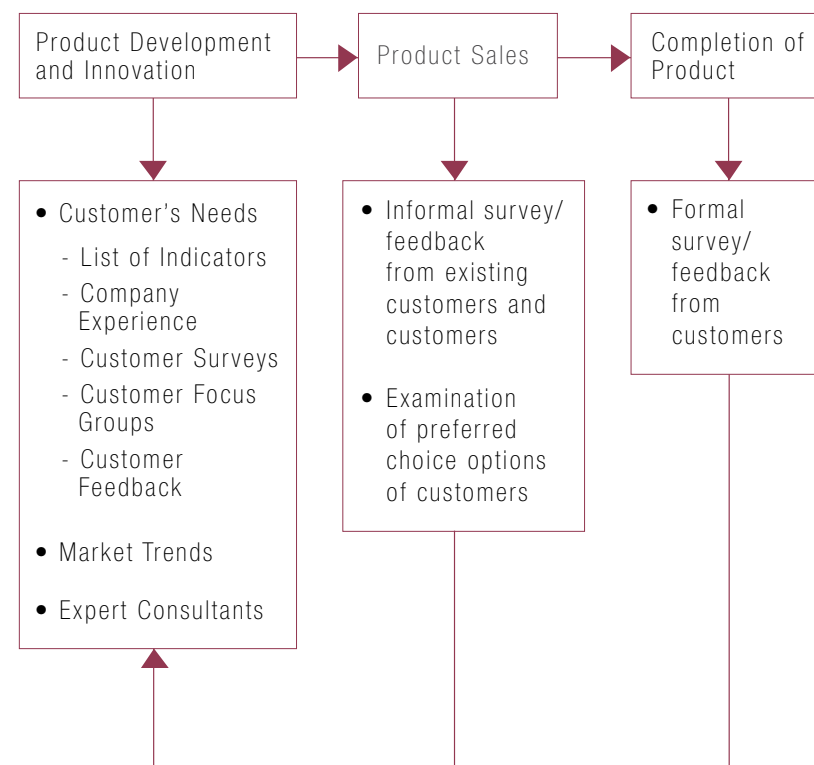
Parc Emily is the first development in Singapore to install a twin-chute pneumatic waste disposal system. This system (far left) comprises two hoppers where residents may dispose of two groups of waste – one for general waste and one for recyclables. Recyclables include items such as paper, plastic bottles and metal cans. This makes recycling more convenient for residents. At a specially organised Open House which is part of "Let's Live Green!", CDL's eco-initiative for homebuyers, attendees were taught how to use the system properly. They were also presented with a reusable goodie bag (left) which included a Green Living Guide and a live plant.

⁽²⁾ A national yardstick for the industry in Singapore, CONQUAS was introduced in 1989 by BCA as a standard assessment system on the quality of building projects. New features to make scoring more comprehensive and customer oriented were included in 1998. By using CONQUAS as a standardised method of quality assessment, developers are able to use the CONQUAS score to set targets to achieve and also assess the quality of the finished building. For more details on CONQUAS, please visit www.bca.gov.sg.

FOR OUR CUSTOMERS

Customer satisfaction has always been of the utmost priority at CDL. Anticipating and satisfying their needs ensures the attraction of potential and new customers as well as the loyalty and retention of current ones. Positive word-of-mouth communication is also an important marketing and branding tool.

Process of Product Development:



CDL's successful strategy of developing the most optimum product is through the active engagement of our customers. When designing our product, we first look at a comprehensive list of indicators that are most pertinent to the requirements of our customers. This will vary depending on the specific product and target market. We also anticipate possible lifestyle trends by going on learning trips abroad so as to uncover new and exciting innovative features and technology that we can possibly introduce to the local market. We are guided by the all-important principle of listening to what our customers really want and looking at the entire life cycle of the product.

For instance, a focus group study is one of the tools used to determine the specific type of design, features and amenities most desired for a given project during the initial design phase. After which, we seek the opinion of our in-house experts and professional advice of external consultants to determine the final specifications of the product, bearing in mind the constructive opinions based on the earlier exercise.

At the ground level, an informal feedback or a survey may be conducted to obtain the opinions of potential and existing customers during the marketing of the product. Finally, for residential properties, a survey will be conducted after the handover to extract any further feedback and to gauge the level of customer satisfaction.

Throughout the cycle, inter-department meetings are regularly held where the information obtained is shared. This way, we know directly from our customers what they like and what areas we can improve on.

In addition to providing customers with the product they desire, we also strive to extend an impeccable standard of customer service to them. The CDL hotline (+65 6877 1818) is managed by our team of highly trained Customer Relations Executives. In addition to responding to basic frequently asked queries, they are also empowered to manage more demanding requests as they have direct access to customer records. This way, customers' queries may be responded to promptly and efficiently.

We also view our relationship with our customers as a sustainable and long-term one. For instance, we continue to engage our homebuyers by conducting a customer satisfaction survey after the handover of the apartment and we also conduct annual surveys for our tenants.

FOR OUR INVESTORS AND THE MEDIA

CDL's corporate mission is to maintain profitability and optimum returns for our investors. We believe that when engaging the investor community, corporate transparency and open communication is paramount. Beyond financial performance, we consider it important to share with our investors our environmental and social performance. This is one of the primary reasons why CDL has chosen to voluntarily publish this dedicated report, even though it is not required or commonly practised in Singapore to-date.

There are also various communication avenues where investors may be promptly updated on the activities of the Company, pose their queries and provide their feedback. We make every effort to respond promptly to these enquiries.

This includes making timely disclosure of the Company's quarterly financial performance and briefings for the analysts, fund managers and the media during the half-year and full-year results where they meet and hold dialogue with the top management including our Executive

Chairman, Managing Director, Group General Manager and Chief Financial Officer. The briefing presentations are also easily accessible by the public via the SGXNET⁽³⁾ and the Company's website.

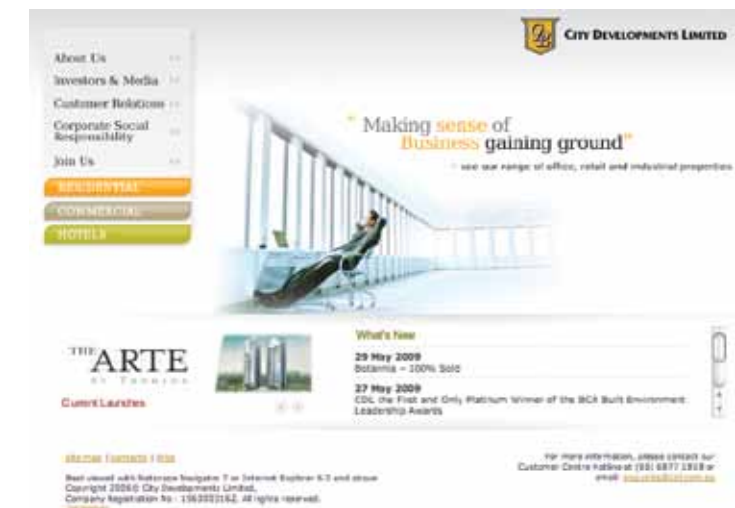
Shareholders are encouraged to attend the Annual General Meeting as the top management continues the practice of presenting to our shareholders our business strategies and direction for the year. In addition, the Executive Directors, the Chairman of each of the Audit Committee, Remuneration Committee and Nominations Committee, including the external auditors of the Company, are present to field any investor queries raised during the meeting.

CDL investors and potential investors alike also have numerous opportunities to meet the top management through various investor conferences, roadshows and one-to-one meetings or teleconferencing.

As one of Singapore's largest companies by market capitalisation and a leading property developer, CDL's activities are closely monitored and reported by the media. We believe in maintaining an open, transparent and professional relationship with the media.

Throughout the year, we keep the media updated of our corporate activities via press conferences and press releases. One-to-one interviews and site visits are also sometimes conducted for the media's better understanding of our business and community activities or for special niche issues of media interest. We also endeavour to responsibly respond to media queries promptly.

As such, CDL maintains a high media profile and enjoys generally positive branding through the extensive coverage by print, electronic and broadcast media locally and regionally. CDL provides a daily "News Bulletin" for employees which tracks media reports on the Company. This serves as a means for more efficient information sharing, closer engagement through constant updates of CDL activities as well as to foster a feeling of pride for the Company employees through the predominantly affirmative reports.



We also make publicly available on our website www.cdl.com.sg (above) corporate materials about CDL such as annual reports, quarterly corporate newsletters, financial information, announcements, press releases, etc.

⁽³⁾ Singapore Exchange Limited (SGX) is a demutualised and integrated securities and derivatives exchange where CDL is listed. All Company announcements must be posted on SGXNET (www.sgx.com) for public dissemination.

FOR OUR EMPLOYEES

CDL continued to refine our human resource practices with a view to engage and retain our employees, cultivate their potential and to also care for their well-being at work and at home. For details, please refer to Chapter 5.

FOR OUR SUPPLIERS

Contractor Management – CDL 5-Star EHS Assessment System

As early as 2001, CDL has been taking the lead in influencing our consultants and contractors to adopt best practices in EHS management systems. To encourage them to share the same level of commitment and standards to conserve the environment, CDL launched a quarterly audit, known as the CDL 5-Star EHS Assessment System. All work sites are independently appraised and graded on a scale of one to five stars.

After each rigorous and stringent independent audit, CDL facilitates peer learning and sharing of best practices among consultants and contractors to encourage better EHS performance in the next review.

Since 2005, CDL has been conferring the EHS Excellence Award to our contractors who have consistently reached 5-Star audit scores over a one-year audit period. This also aims to motivate all of our contractors and consultants to work together to improve their EHS results for environmentally-friendly and accident-free CDL project sites.

In 2006, we raised the standard and introduced the EHS Monetary Award to further motivate and inspire our contractors. This incentive-based award is given to past award recipients who have subsequently clinched national EHS awards such as the Ministry of Manpower (MOM) Annual Safety and Health Performance Award. A total of 14 awards have been presented to our contractors for their EHS efforts including a record five awards in 2009 for outstanding performance in 2008.

Our influence has motivated our consultants and contractors to establish their own EHS management system and more than 50% have obtained the ISO 14001 and OHSAS 18001 certifications. In addition,

all the main contractors of CDL projects are required to be both ISO 14001 and OHSAS 18001 certified.

In 2008, CDL became the first developer that was certified as a bizSAFE Partner and we have also managed to encourage all our contractors to be bizSAFE Partners. bizSAFE is a new programme tailored by the Workplace & Safety Health Council (WSHC) to assist Small and Medium Enterprises (SMEs) build up their workplace safety and health capabilities.



From left: Mr Eddie Wong, CDL General Manager and Head, Projects Division, Mr Frederic Perez, Dragages Project Director, Guest of Honour Mr Ho Siong Hin, Divisional Director for Occupational Safety and Health, Ministry of Manpower, Mr Masanobu Shinoda, Kajima Vice Managing Director and Mr Chia Ngiang Hong, CDL Group General Manager at the CDL 5-Star EHS Excellence Awards Presentation Ceremony.

Labour Policy at Work Site

CDL requires all our contractors to comply with the labour rights of workers employed by them at every work site. We also stipulate that our contractors have to comply with all requirements of the local Health and Welfare by-laws and Regulations pertaining to work sites and all people employed thereon.

The contractor is responsible for the implementation and maintenance of all measures necessary to keep the construction site safe and without risks to health for the workers. For instance, this includes the incorporation of programmes for mosquito prevention and pest control. The site offices and basic amenities such as toilets must also be equipped with electricity, water, adequate lighting and ventilation.

Suppliers and Vendors Management – Green Procurement Guidelines

To ensure our vendors and suppliers are aligned with CDL's green procurement practices, we formalised the Green Procurement Guidelines at our corporate office in 2008. Our employees have also been actively communicating the new green guiding principle to our vendors and suppliers.

GREEN PROCUREMENT GUIDELINES

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

FOR OUR COMMUNITY

In 2008, closer collaboration efforts and active engagement with the stakeholders in our community, CDL has achieved remarkable results such as increased employee volunteer hours and participation rate as well as success of many key collaborative events with government agencies and NGOs. For details, please refer to Chapter 6.

FOR OUR OTHER STAKEHOLDERS

Although CDL has identified our customers, investors, employees, suppliers and the community as our key stakeholders, we do recognise that there are other important stakeholders stemming from government agencies and NGOs that we have been actively engaged with over the years. For examples, please refer to Chapter 6.

MOVING FORWARD

CDL strives to continue our commitment in CSR. We will work towards transforming CDL to become an outstanding CSR leader with a position that is substantiated by attaining globally-recognised CSR standards and performance and validated by notable organisations here and abroad. Although our sustainability-related efforts have been recognised; having been included in the FTSE4Good Index series since 2002 and listed as the top ranked company from Singapore in the CSR Asia Business Barometer on CSR disclosure in 2008, this remains but the start of our CSR journey.

As an advocate of CSR, we will continue to spread interest and take action, supporting and contributing to key global bodies such as the UN Global Compact. We take pride at having been named the inaugural BCA Green Mark Champion in 2008 and this only spurs us to lead the green building movement in Singapore and to be a BCA Green Mark Platinum Champion in the future.



IN FOCUS: SINGAPORE QUALITY CLASS (SQC) – IMPROVING WORK PROCESSES FOR BUSINESS EXCELLENCE AND A HIGH PERFORMANCE ORGANISATION



CDL's vision and mission are embraced by all our employees, helping to create a happy, dynamic and highly-committed workforce.

In a challenging operating environment where competition is global and intense, organisations strive for world-class standards of business excellence to achieve a competitive edge for themselves. Business excellence involves being vision-driven, strategic, value-focused, responsive, adaptable, efficient and customer-centred.

Working towards this goal, CDL embarked on the journey to achieve the SQC certification in the second half of 2008. Our primary aim in this exercise is to incorporate the SQC business excellence framework into our corporate strategy so that we not only enhance our current

capabilities but also manage and improve our business excellence efforts in a holistic and integrated manner.

It was an intense and gruelling exercise which involved all operational functions cutting across all levels of responsibilities to adopt, align and integrate its approach to managing a business for excellence. Through the SQC certification process, CDL underwent a rigorous assessment of the Company's performance. The process has helped to clearly identify key areas where CDL has done well as well as uncovered areas where further improvements can be made.

CDL was evaluated on our approach to seven broad disciplines, namely, Leadership, Planning, Information, People, Processes, Customers and Results.

Points were awarded for CDL's top and senior management's leadership in developing and managing a high performance organisation as well as how the Company discharges its responsibilities to the community and the environment. Operational functions such as project development, property and facilities management, customer service, marketing and leasing were assessed on their key processes for innovation, production and delivery, customer as well as supplier and partnering management.

SQC assessors also reviewed the strategies and mechanisms deployed to develop employees potential, promote team work and involvement as well as how CDL's vision, mission and shared values are embraced by one and all within the organisation.

The hard work of the CDL's management and our employees came into fruition when CDL achieved the SQC certification in February 2009. This achievement bodes well for us as it is a clear indication that our management strategies are in place and that we are on the right path to further improve our business excellence and long term sustainability.

IN FOCUS: CHAMPIONING BCA'S GREEN MARK SCHEME

The BCA Green Mark Scheme⁽⁴⁾ was launched in 2005 as an initiative to move Singapore's construction industry towards sustainable and environmentally-friendly buildings by incorporating best practices in environmental design and construction, and the adoption of green building technologies. It is a framework and rating system for assessing buildings environmental performance and impact.

Buildings are awarded Platinum, Gold^{Plus}, Gold or Certified rating depending on the points scored. Buildings are awarded the BCA Green Mark based on five key criteria including Energy Efficiency, Water Efficiency, Site/Project Development & Management (Building Management & Operation for existing buildings scheme), Good Indoor Environmental Quality & Environmental Protection and Innovation.

The BCA Green Mark assessment criteria covers two main categories: New Buildings and Existing Buildings. The scheme for new buildings will provide the opportunity for developers to design and construct green, sustainable properties which can promote energy savings, water savings, healthier indoor environments and adoption of more greenery. The scheme for existing buildings will enable building owners and operators to meet their sustainable operations goals and to reduce adverse impacts of their buildings on the environment and occupant health over their entire life cycle.

Started as a voluntary scheme and made mandatory in April 2008, the new regulation has had no business impact on CDL as we have been supporting the scheme, submitting all new developments for the certification since its inception.

CDL's 10 Green Mark awarded buildings in 2008 are expected to save up to S\$4 million in energy costs annually upon completion.

In 2008, CDL was honoured to be the first and only developer accorded the inaugural BCA Green Mark Champion Award, in recognition of our sustained commitment towards CSR, achieving an outstanding track record in environmental sustainability and having met the minimum criteria of 10 BCA Green Mark Gold certifications including three Platinum and Gold^{Plus} certifications each.

In May 2009, CDL was conferred the inaugural BCA Built Environment Leadership Platinum Award. This award is presented to a developer who has demonstrated excellence and leadership in the built environment in Singapore. In 2009, we participated in the Green Mark for Office Interior Scheme as part of a BCA pilot group and the CDL office at City House was accorded the inaugural BCA Green Mark Office Interior Gold^{Plus} Award in March 2009. We are one of the first few offices to receive this recognition.



CDL is proud to have been honoured with the inaugural BCA Green Mark Champion Award, received by Mr Kwek Leng Joo, CDL's Managing Director from Guest of Honour Minister Mah Bow Tan, in addition to another 12 awards conferred at the BCA Awards 2008.

⁽⁴⁾ For more details on the BCA Green Mark Scheme, please visit www.bca.gov.sg.

BCA GREEN MARK PLATINUM DEVELOPMENTS BY CDL

7 & 9 Tampines Grande – Green Fact Sheet

	EXAMPLES OF GREEN FEATURES	BENEFITS
ENERGY-EFFICIENCY	<ul style="list-style-type: none"> Largest thermal solar and photovoltaic panels installed on the roofs in an office building in Singapore measuring a total of 2,080 m². Solar air-conditioning is based on hot water from solar panels driving an absorption chiller which in turn, provides chilled water to the air-conditioning system. The vacuum tube solar panels heat the water up to 88°C. The hot water is then used by the absorption chiller to produce chilled water Eco-friendly Architectural Design: Low-Emissivity coated double glazed vision glass and twin-horizontal aluminium louver fins for solar shading 	<ul style="list-style-type: none"> Total energy savings of 2.7 million kWh per year Total energy consumption reduction of 122,000 kWh per year
WATER-EFFICIENCY	<ul style="list-style-type: none"> Rainwater Harvesting System and Automatic Irrigation System: Connected with timers and rainwater sensors Water-efficient fittings with NEWater and condensate water collection from precooled Air Handling Units (AHUs) for Cooling Tower 	<ul style="list-style-type: none"> The collection tank holds 70m³ of water or a 7-day storage capacity Zero potable water usage for water cisterns and waterless urinals, irrigation and cooling tower with total estimated potable water savings of 71,000 m³ per year
INDOOR ENVIRONMENTAL QUALITY	<ul style="list-style-type: none"> Carbon Monoxide sensors in the car park, Carbon Dioxide sensors and Cold Plasma air purifiers installed in the AHUs for offices 	<ul style="list-style-type: none"> Improves air quality by over 85% and occupational health and comfort of the building's users



7 & 9 TAMPINES GRANDE – A state-of-the-art new generation green office building with invested approximately 4% of the construction cost incorporating green features in the development's green features. The 300,000 square feet building comprising twin eight-storey office blocks was constructed with eco-friendly materials and integrated with numerous green features.



QUAYSIDE ISLE COLLECTION AT SENTOSA COVE (RESIDENTIAL) – Residents can enjoy energy savings of up to S\$2,500 per apartment annually from the energy efficient green features incorporated within their homes.



THE OCEANFRONT @ SENTOSA COVE – Residents at this exclusive waterfront condominium can expect to save up to S\$1,000 per apartment per year from the energy-efficient air-conditioners. It is the first condominium in Singapore to incorporate a system to recycle water from apartment bathtubs, showers and wash basins for flushing of clubhouse toilets and irrigation of landscape.



CITY SQUARE MALL – Designed to be an eco-friendly and community-friendly mall, the 700,000 square feet mall is projected to reduce its energy usage by almost 40% amounting to about 11 million kWh or over S\$2 million energy savings per year compared to designs using standard industry codes. Beyond green features, there will also be programmes at the mall and integrated public urban park to raise eco-awareness among the shoppers and public.



From 2005 to 2009, CDL has had the highest number of BCA Green Mark developments with a portfolio comprising 34 properties.

As a further testament to our commitment towards developing outstanding state-of-the-art green developments, CDL has the honour of not only being the first private property developer to attain a BCA Green Mark Platinum award but the only one with six Platinum awarded projects under our belt.

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

Green Mark Platinum

- City Square Mall
- Cliveden at Grange
- Quayside Isle Collection at Sentosa Cove (Residential)
- 7 & 9 Tampines Grande
- The Oceanfront @ Sentosa Cove
- The Solitaire

Green Mark Gold^{Plus}

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

Green Mark Gold

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

Green Mark Certified

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

* Project managed by CDL

+ Recertified in 2009



CLIVEDEN AT GRANGE – Exceptional “Green” clubhouse with an innovative photocatalyst coating with water film system to cool down the internal and external environment. The various energy-efficient features help reduce energy costs by approximately over S\$400,000 per year.



THE SOLITAIRE – Incorporation of various energy-saving and water-saving features will help reduce energy and water usage by an estimated 1.3 million kWh and 2,500 m³ per year. A rainwater irrigation system has also been installed for landscape maintenance.

CDL'S CSR MILESTONES

CDL's concerted efforts towards sustainability started more than a decade ago. In the course of our CSR transformation, there were critical milestones which have been pivotal in helping us to further develop and strengthen our cause.

Below are some highlights of our key business, environmental and social achievements. The awards, accolades and programmes affirm our commitment and efforts towards being a socially responsible corporate citizen.

KEY HIGHLIGHTS

2009	BUSINESS	ENVIRONMENT	SOCIAL
Achieved the Singapore Quality Class (SQC) certification, attesting to CDL's overall business excellence standard based on the internationally-benchmarked business excellence framework.	✦	✦	✦
Only developer to be conferred the inaugural BCA Built Environment Leadership Platinum Award at BCA Awards 2009. Also received 8 BCA Green Mark Awards, 1 Green Mark for Office Interior Award, 3 Design & Engineering Safety Excellence Awards, 2 Construction Excellence Awards and 1 Universal Design Award.	✦	✦	✦
2008			
First company from Singapore to publish a social and environmental report successfully checked by Global Reporting Initiative (GRI).	✦	✦	✦
Ranked 7th place among the 20 largest listed companies in Hong Kong, Malaysia, Thailand and Singapore in CSR Asia Business Barometer 2008, a study on CSR disclosure. This makes CDL the highest ranked company from Singapore.	✦	✦	✦
Endorsed the United Nations (UN) Caring For Climate statement to mobilise the business community to develop solutions to reduce climate risk.	✦	✦	
Winner of three Asian CSR Awards 2008 Excellence awards which honours companies in Asia for their projects and programmes in CSR. CDL was only company from Singapore to be accorded.	✦	✦	✦
Conferred the Excellence Award for Best Corporate Social Responsibility (CSR) by the Institute of Public Relations of Singapore at the PRISM Awards 2008, in recognition of its outstanding CSR strategy, which takes a holistic approach in impacting the community through dedicated outreach programmes.	✦	✦	✦

2008 cont'd	BUSINESS	ENVIRONMENT	SOCIAL
Pioneered issuance of Singapore's first Sukuk-Ijarah unsecured financing agreement, under a proposed \$1 billion Islamic Multi-Currency Medium Term Notes Programme to tap new markets and investors.	✦		
Only developer to be accorded the inaugural BCA Green Mark Champion Award at BCA Awards 2008. Also received 10 BCA Green Mark Awards and 2 Construction Excellence Awards.	✦	✦	✦
Achieved ISO 14001: 2004 Environmental Management System for Corporate Management and Operations for all functions at headquarters.	✦	✦	✦
Accorded Work-Life Excellence Award for commitment to harmonise work and personal needs of employees.	✦		✦
Received Singapore H.E.A.L.T.H. (Helping Employees Achieve Life-Time Health) Award (Platinum) award for outstanding Workplace Health Promotion programmes.	✦		✦
Awarded the Minister for Home Affairs (MHA) Award (formerly known as Special Award), the highest Home Team National Service Awards for Employers for outstanding and consistent contribution towards Singapore's national defence. Starting 2008, MHA also introduced the Minister's Honours Roll and CDL has been inducted into this new league.			✦
A second-time recipient of the Ministry of Manpower (MOM) Workplace Safety and Health Awards 2008 Developer Award and remains the only private developer to have received this honour.			✦
On the honours roll of the Patron of the Arts Award for the 12th consecutive year.			✦
City House, CDL's headquarters, received the Water-Efficient Building Certificate from Public Utilities Board (PUB) in recognition of efforts to conserve water.	✦	✦	
Certified as bizSAFE Partner from the Workplace Safety and Health Council.			✦

2007	BUSINESS	ENVIRONMENT	SOCIAL
Achieved ISO 9001 and ISO 14001 certification for 14 Investment Properties.	✦	✦	
Accorded the pinnacle awards from the Office of the President of the Republic of Singapore.			
- President's Social Service Award - President's Award for the Environment		✦	✦
Pioneered the "1°C Up Campaign" in 11 CDL commercial buildings.	✦	✦	
- Aims to increase the air-conditioning temperature range by 1°C to save energy and reduce carbon emissions.			
Presented with the Patron of the Arts Award by the National Arts Council for its sustained contribution towards the promotion and development of the arts in Singapore since 1997.			✦
First private developer to be awarded BCA Green Mark Platinum – the highest honour accorded for developing eco-friendly properties by BCA.	✦	✦	
- City Square Mall (commercial) - The Oceanfront @ Sentosa Cove (residential)			
Presented with the CSR Recognition Award by Singapore Compact in recognition of its sustained commitment towards CSR.	✦	✦	✦
Accorded Watermark Award 2007 by PUB which is the highest accolade for Friends of Water who have made significant contributions towards Singapore's water sustainability.		✦	✦

2007 cont'd	BUSINESS	ENVIRONMENT	SOCIAL
Conferred the Total Defence Awards and Home Team NS Awards for Employers 2007 (Special Award) in recognition of its support and contribution towards National Service (NS) activities in the Singapore Armed Forces, Singapore Police Force and Singapore Civil Defence Force respectively.			✈
Conferred the The Distinguished Partner of the National Youth Achievement (NYAA) Award in recognition of its continuous partnership and support towards youth development.			✈
2006			
The only property developer in Singapore to be conferred the international Royal Society for the Prevention of Accidents (RoSPA) Gold Award for excellence in Occupational Health and Safety management in the workplace consecutively for four years from 2006 to 2009.	✈	✈	
CDL is the first local MNC to win the prestigious Corporate Citizen Award by the National Volunteer & Philanthropy Centre.			✈
The only Gold Award winner in the Property Developer category in Reader's Digest's Annual Consumer Brand Preference Award in 2006. We were also awarded consecutively from 2006 to 2009.	✈		
Established a Work-life Committee to promote work-life and health activities for a well-balanced lifestyle.			✈
Accorded the MOM Developer Award in Workplace Health and Safety Awards in 2006 and again in 2008. It is the only developer to be awarded this honour.			✈
2005			
One of Singapore's pioneering group of signatories to join the UN Global Compact to uphold its 10 Principles.	✈	✈	✈
Conferred the "Best in Class" status by Storebrand's Socially Responsible Investments (SRI) for CDL's CSR programmes.	✈	✈	✈

2005	BUSINESS	ENVIRONMENT	SOCIAL
CDL is the sole winner for the Best Social Report category of the Singapore Environmental & Social Reporting Awards 2005 (SESRA) awarded by the Association of Chartered Certified Accountants (ACCA), which recognises organisations which report and disclose environmental or social information.	✈	✈	✈
Presented with the Singapore Green Plan 2012 Award by the Ministry of Environment and Water Resources for leading the industry in good environmental practices and educating its stakeholders to adopt eco-friendly habits.	✈	✈	
Obtained Green Office Certification (2005-2009) in recognition of its commitment to environmental protection at the workplace by Singapore Environment Council (SEC).	✈	✈	
Awarded the Singapore H.E.A.L.T.H. Award 2005 (Gold) by the Health Promotion Board in recognition of commendable Workplace Health Programmes (WHP) to encourage employees to lead healthy and vibrant lives.	✈		✈
CDL was listed on the new FTSE/ASEAN Index and the FTSE/ASEAN 40 Index.	✈	✈	✈
Republic Plaza, Fuji Xerox Towers and City House were conferred the Energy Smart Office Award by National University of Singapore (Energy Sustainability Unit) and National Environment Agency (NEA).	✈	✈	
2004			
Awarded the prestigious Singapore Environmental Achievement Award by SEC for its dedication and success as a green developer and advocate.		✈	
Pioneered "Let's Live Green!" – an outreach programme to educate and inform CDL's homebuyers on how to practice green habits within their homes.		✈	✈

2004 cont'd	BUSINESS	ENVIRONMENT	SOCIAL
Awarded the Singapore Family-Friendly Employer Award 2004 by a Tripartite Committee on Work-Life Strategy, which includes the Ministry of Community Development and Sports, Ministry of Manpower (MOM), National Trade Union Congress and Singapore National Employers Federation for its family-friendly corporate culture.	✦		✦
Formation of an employee welfare task force StaffConnect @ CDL aimed at reinforcing employees' sense of belonging and team spirit.			✦
2003			
Established a formal EHS policy to ensure compliance with all EHS requirements throughout property development.	✦	✦	
Achieved ISO 14001:1996 Environmental Management Certification for commitment in raising environmental standards in our developments and building high-quality homes that feature eco-friendly facilities.	✦	✦	
Achieved OHSAS 18001 Health and Safety Certification for establishing a EHS policy to monitor the environmental impact of our operations and improve workplace safety.	✦	✦	
2002			
Established a formal Risk Management Framework to assess, identify, evaluate, monitor and manage the Company's business risks.	✦		
Launched Savannah CondoPark – Singapore's first specially-designed Eco-Condo.	✦	✦	

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





FROM
CORPORATE GOVERNANCE
AND RISK MANAGEMENT

TO
TAKING OWNERSHIP
AND ACCOUNTABILITY

CDL adopts and upholds a high level of corporate governance like a responsible steward that takes care of the multiple interests of all our stakeholders. As a company with foresight, we steer the business skilfully in today's competitive business climate, anticipating and avoiding potential business risks by planning ahead to stay ahead.

We set our sights on achieving higher standards of competency to establish elevated levels of transparency and corporate management at CDL. This will make CDL a better company tomorrow compared to what it is today.

Chapter 3

CORPORATE GOVERNANCE AND RISK MANAGEMENT

We are committed to maintaining good corporate governance in accordance with the principles and guidelines set out in the Code of Corporate Governance released by the Council on Corporate Disclosure and Governance in 2005 ("CCDG Code") and the Company has adopted a set of internal guidelines on corporate governance aligned with the CCDG Code. For more detailed information on the Company's corporate governance practices, please refer to the Company's Corporate Governance Report as set out in the Company's Annual Report 2008 (pages 23 to 30).

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

The Board of Directors (the "Board") has general oversight of the Company's business, with its primary functions being the setting of corporate policy, providing guidance and approving strategic plans and direction for the Company, reviewing management performance, establishing and overseeing the framework for internal controls and risk management, and assuming the responsibility for good corporate governance. As at 11 May 2009, the Board comprises 8 members, all of whom are non-executive Directors, except for the Chairman and the Managing Director. There is a strong and independent element on the Board with 5 out of the 6 non-executive Directors considered to be independent, each viewed by the Board as being capable of maintaining his objectivity and independence at all times in the carrying out of his duties and responsibilities as an independent Director.

The responsibilities of the Board are carried out either directly by the Board or through committees established by the Board, which include the following:

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

(iv) and also for the Group General Manager. The Remuneration Committee in its review role, also ensures that remuneration policies of the Company are generally in line with the strategic objectives set by, and corporate values of, the Company. Such remuneration framework, which includes both fixed and variable components, takes into account, amongst other factors, the individual's performance, the performance of the Group and industry practices.

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

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

The Company has adopted a Code of Business Conduct and Ethics which sets out the ethical values and business standards of the Company. The Code provides a communicable and understandable framework for all Directors and staff to observe the Company's principles such as honesty, integrity, responsibility and accountability at all levels of the organisation and in the conduct of the Company's business, in their relationships with its customers, suppliers and amongst employees, including situations where there are potential conflicts of interests.

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

Since 2002, the Company has established a formal risk management framework, which is benchmarked against international risk management standards, to enable significant business risks within the Company's property investment, development and management arm to be identified, assessed, evaluated, monitored and managed. Further enhancements to the framework were implemented in 2007 with the assistance of independent consultants to manage the strategic business risks which are reflective of the changes in markets, products and emerging best practices. The efforts of the Company in this area underline the importance of risk management in the Company's business activities and as an essential component of its planning process. The Board's overall responsibility in this area is supported by the Audit Committee which has general oversight of the Company's risk management policy and procedures. For more information detailing the Company's risk management process, please see the following section on Risk Management.



RISK MANAGEMENT

Risk management continues to play an important part in the Company's business activities and is an essential component of its planning process. The Board has overall responsibility for determining the nature of its business risks and to ensure that risks in new and existing businesses are managed and business plans and strategies accord with the risks appetite that the Group undertakes to achieve its corporate objectives.

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

The RM Committee had, since 2002, established a formal risk management framework to enable significant business risks within the Company's property investment, development and management arm to be identified, assessed, evaluated, monitored and managed. The RM Committee has during the year under review engaged a firm of independent consultants to assist in implementing the following enhancements to its existing risk management framework:

- Formalised processes that enable operational risks to be identified, assessed, evaluated, monitored and managed.
- Formalised processes that enable the reporting of occurrence or potential occurrence of significant risk events.

The RM Committee will report at least once annually, to the Audit Committee on the overall strategic and operational risks positions, including mitigating measures and treatment plans. Periodically, the RM Committee will report to the Audit Committee on the occurrence or potential occurrence of significant risk events. The Audit Committee has reviewed the Company's risk management system, policies, processes and procedures and is satisfied that there are adequate internal controls in place to manage the significant risks identified.

The procedures and processes within the formal risk management framework, benchmarked against other international standards and current risk management practices, enable the Company to regularly review its significant strategic business risks; consider the effectiveness of the Group's system of internal controls to limit, mitigate and monitor identified risks; and consider the implementation of further action plans to manage strategic business risks which are reflective of changes in markets, products and emerging best practices. The controls set out within the risk management framework are intended to manage, and not expected to eliminate, all risks of failure to achieve business objectives. These controls provide reasonable, but not absolute, assurance against material misstatement of management and financial information or against financial losses and fraud.

The risks incorporated within the Company's formal risk management framework include the following:

Operating Risks

The risk management framework is integrated into the management processes at operational levels, with the respective management at divisional and departmental levels being responsible for identifying, assessing, mitigating and managing the operating risks within each of their functional

areas. The implementation and use of a system of internal controls, and operating, reporting and monitoring processes and procedures (including processes involving due diligence and collation of market intelligence and feedback), supported by information technology systems and constant development of human resource skills through recruitment and training, are important elements of the risk management framework, to mitigate risks relating to product and service quality assurance management, costs control management, design and product innovation, market intelligence, marketing / sales and leasing management, financial control management and regulatory compliances in the Company's operations. The maintenance of adequate insurance coverage for the Company's assets, and the protection of and continued investment in the security and integrity of its information technology systems and database which are highly integrated with its business processes, are also part of the Company's control processes for the protection of its assets.

Investment and Portfolio Risks

Risk evaluation forms an integral aspect of the Company's investment strategy. Balancing risk and return across asset types and geographic regions are primary considerations to achieve continued corporate profitability and portfolio growth. This risk assessment includes macro and project specific risks analysis encompassing rigorous due diligence, financial modelling and sensitivity analysis on key investment assumptions and variables. Each investment proposal is objectively evaluated to fit the corporate strategy and investment objective. Potential business synergies including collaboration risks assessments are identified early to ensure business partnership objectives and visions are well-aligned and collaboration partners are like-minded and compatible.

Treasury and Financial Risks

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

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

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

Credit Risk - The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of these financial assets.

Transactions involving financial instruments are entered into only with counterparties that are of acceptable credit quality. Cash and fixed deposits are placed with banks and financial institutions which are regulated.

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



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

Foreign Currency Risk - The Group is exposed to foreign currency risks on sales, purchases and borrowings that are denominated in a currency other than the respective functional currency of the Group's entities.

The Group manages its foreign exchange exposure by a policy of matching receipts and payments, and asset purchases and borrowings in each individual currency. Forward foreign exchange contracts are used purely as a hedging tool, where an active market for the relevant currencies exists, to minimise the Group's exposure to movements in exchange rates on firm commitments and specific transactions.

Wherever necessary, the Group finances its property, plant and equipment purchases by using the relevant local currency cash resources and arranging for bank facilities denominated in the same currency. This enables the Group to limit translation exposure to its balance sheet arising from consolidation of the Group's overseas net assets.

Human Resource Risks

The Company recognises human resource as an important contributing factor towards the stable growth of the Company, and accordingly efforts are taken to enhance the processes for recruitment, compensation, training and development of employees. Identification of core competencies is critical in the employee selection and development processes, and the implementation of performance assessment and management programmes, coupled with career development and training programs, are part of the Company's human resource strategy to improve work performance, maximise competencies, increase staff commitment and retention, and develop further an effective succession planning programme within the organisation. The management also supports work-life harmony programmes and family-friendly policies as part of its efforts to help employees achieve a balanced life between work and family and at the same time create a quality workplace.

Crisis Risks

Operating in an environment with potential threats of terrorism, epidemic outbreaks and information systems failure, the management has put in place a company-wide Business Continuity Plan ("BCP") to mitigate the risks of interruption and catastrophic loss to its operations and

information database arising from such potential threats. A Business Continuity Management Committee ("BCP Committee"), whose members comprise senior management, is responsible for overseeing the maintenance of the BCP. Procedures and processes of the BCP include identification of alternate recovery centres, operational procedures to enable communication, continuity of critical business functions and recovery of database in the event of a crisis incident. Periodic incident management drills are conducted to familiarise employees with the emergency response and crisis management plans of the Company. The plans to carry out periodic tests on BCP as well as the results of these tests are reviewed by the BCP Committee annually and bi-annually by the Audit Committee.

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





FROM
GOOD PRACTICES

TO
ENVIRONMENTAL SUSTAINABILITY

Environmental sustainability is an inextricable part of the way we think and do our business. At CDL, we believe that every green effort will make a difference in bringing our business closer in a harmony with the environment we live in.

For more than a decade, CDL has been raising the standards of our environmental performance, especially in the development of green buildings in Singapore. We remain inspired and motivated to take bold and innovative steps to drive our business to make the next green leap towards environmental excellence.

Chapter 4

CONSERVING THE ENVIRONMENT

The buildings sector contributes about 16% of Singapore's greenhouse gases. Buildings are also accountable for significant electricity and water consumption and waste generation. As a green and responsible developer, CDL recognises the impact our buildings may have on the environment and is committed to reducing our environmental impact.

CDL cares for the environment and our stakeholders. Our EHS Policy sets the strategic direction for all employees to take practical efforts to ensure effective EHS management so as to create a "Safe and Green" culture, continually striving to conserve resources and prevent pollution.

Our environmental management focuses on energy and water conservation, recycling and minimisation of waste across our operations.

CDL'S ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)

The EMS, which is based on a Plan-Do-Check-Act model, is integrated into CDL's overall operations. It provides a systematic approach to minimise our operational impact on the environment and provides the framework for continual improvement in our environmental performance.

CDL established the Corporate EHS Policy in 2003 and all operations are to adhere to the principles. With the policy in place, CDL (Projects Division) attained the ISO 14001 EMS and OHSAS 18001 Occupational Health and Safety Management (OHSMS) System certifications for property development and project management in the same year.

CDL (Property & Facilities Management Division) was awarded the Integrated Management System of ISO 9001 Quality Management System (QMS) and ISO 14001 EMS standards for property and facilities management in 2007.

In 2008, CDL had all our core divisions and supporting operations

conform to the ISO 14001 certification. The scope covers all headquarter activities of Group Finance and Accounts, Corporate Affairs, Projects Division, Property & Facilities Management Division, Marketing/Leasing, Information Systems, Business Development and Asset Management, Customer Relationship Management and Internal Audit. This has been a significant development, with all parts of the business now adhering to the EMS.

TRAINING, AWARENESS AND COMMUNICATION

CDL acknowledges that all employees, including those working on behalf of the Company such as our contractors and suppliers whose jobs may cause significant environmental impacts, should have the necessary expertise, training or experience to carry out their work.

Training and awareness programmes are provided to increase the environmental consciousness of employees and contractors. All new employees are given a detailed introduction to CDL's Corporate EHS Policy and their responsibilities in the EMS. We also strongly encourage our employees to attend external seminars and workshops to upgrade their skills or knowledge related to environmental management. As for our contractors, we have been conducting the CDL 5-Star EHS Review Seminar for them on a quarterly basis since 2001 to raise their EHS standards. Best practices are shared during the review sessions to encourage peer learning.

CDL also believes in engaging the support of our stakeholders, including employees and external interested parties, to achieve excellent environmental performance. We provide various modes of communication to share our commitments, best practices, programmes and environmental performance as well as solicit their feedback and suggestions for continual improvement. We are committed to take all necessary action to prevent the occurrence of potential non-conformance or recurrence of non-conformance. All CDL employees are encouraged to be forthcoming

when reporting of environmental-related accidents, complaints, incidents, non-compliance and non-conformity. At CDL work sites, we also provide a hotline number where the public can report to us.

COMPLIANCE

CDL is committed to complying with all applicable legal requirements. Compliance evaluations are carried out quarterly, especially when there are new regulations or changes to the legal requirements. We also constantly assess our activities and operations to ensure full compliance to the regulated limits enforced by the local governing authorities such as the BCA, NEA, PUB and Singapore Civil Defence Force (SCDF) and other relevant enforcers where appropriate.

CDL also takes measures to ensure regulatory requirements are taken into consideration at the planning stage for any activity or operation. Hence, we are proactive in influencing and engaging our stakeholders, such as the architects, contractors, designers and engineers to embrace safe and environmental-friendly designs, plans and programmes. CDL continues to follow through the compliance status during the construction and operational phase. This is done through regular audits and our CDL 5-Star EHS Assessment system.

ENVIRONMENTAL ASPECTS

Managing the environmental aspects is a key element in the EMS. We identify significant environmental aspects for activities, products or services that can potentially have critical negative environmental impact. The risk assessment criteria used consist of the likelihood of the occurrence, severity of the impact and control measures.

The key significant environmental aspects of our business are energy, water and waste. In the last few years, CDL has placed our priority on reducing energy use across our operations in recognition of the impact of global warming and climate change being a major global environmental challenge. In addition, our focus also includes water management and

waste minimisation as Singapore does not have abundant natural freshwater sources and has limited disposal sites.

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

Due to the different nature of operations and activities, the Projects Division, Property & Facilities Management Division, and Corporate Management and Operations will each evaluate its set of significant environmental aspects and establish the corresponding environmental objectives and targets and programmes.

EMS AUDIT

CDL recognises that we must regularly audit our operations and activities in order to know what is effective and what can be improved upon. CDL's EMS audit programme involves teams of internal and external auditors conducting audits at least once a year.

Internal audits are essential to ensure the EMS has been properly planned, implemented and maintained in conformance with the ISO 14001 international standard and to identify areas of improvement. The actual frequency of internal audits depends on past audit results as well as the potential risks and importance associated with the activity or operation. Typically, each project development is to be audited at least once in its project cycle and each audit should cover all three stages, i.e., planning, procurement and construction.

The Company is also subject to external audits, conducted by an accredited certification body of the initial certification and surveillance visits. External surveillance audits are conducted each year to verify that the EMS continues to be maintained, implemented and to deliver continual improvements until the next re-certification cycle.



ENVIRONMENTAL AND SAFETY DATA

CDL's environmental performance of CDL includes data from Projects, Property & Facilities Management, Corporate Management and Operation and total summary of energy used and carbon emissions.

PROJECTS DIVISION

Projects Division's main activities are Property Development and Project Management. The key significant environmental aspects for Projects Division are energy, water, waste and biodiversity. The data below provided by our main contractors highlights the environmental and safety performance at the work sites of CDL developments in Singapore.

Projects Division has set specific environmental objectives and targets at the work sites, please refer to page 56 for details.

Energy

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

In 2008, with a focus on energy conservation at our work sites, we have further reduced the energy use to 43 kWh/m² of Gross Floor Area (GFA) despite a significant increase of projects under construction.

Water

CDL's water management policies at the work sites are based on the principles of reducing, recycling and reusing water, and to prevent water pollution in our waterways.

From our benchmark assessment studies from 2005 to 2007, the average water use at the work site would have been approximately 2m³/m² of GFA built. We estimate CDL has conserved 229,581m³ of water at all our work sites in 2008 with our various water management initiatives.

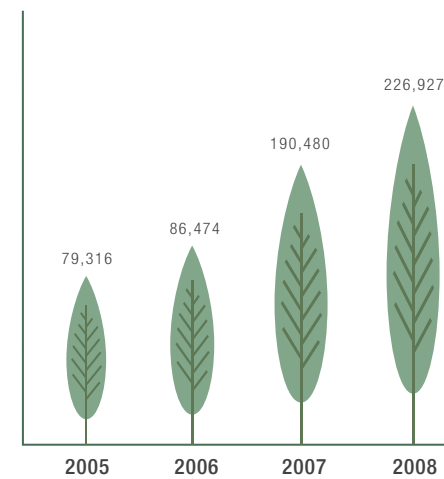
This includes incorporating water-efficient features used on-site as well as within the new developments, such as the water recycling system, sensor taps or self-closing taps, water-efficient fittings approved under

the Water Efficiency Labelling Scheme (WELS), waterless urinals, and automatic flush and dual flush systems for toilets.

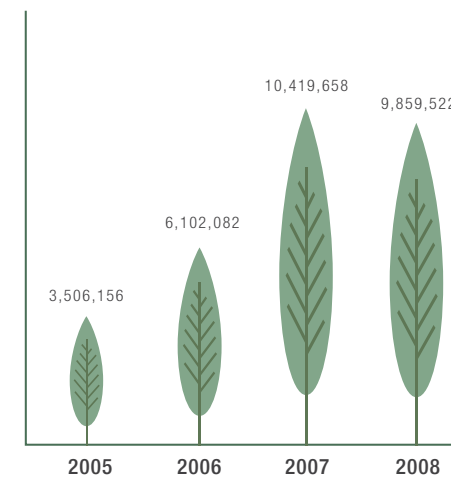
Some projects when completed will also have a rainwater harvesting system for landscape irrigation and NEWater for flushing of water cisterns and urinals. This will further help to decrease potable water usage.

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

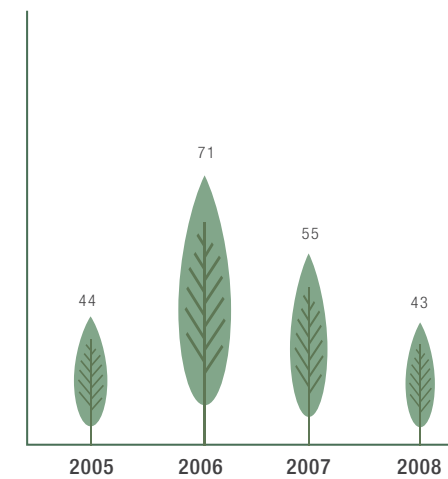
Total GFA⁽¹⁾ Built at Work Sites
m²



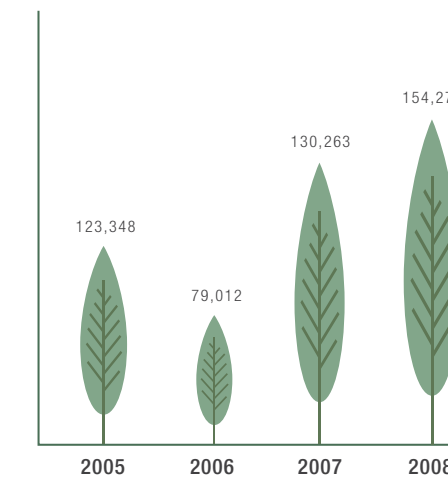
Total Energy⁽²⁾ Used at Work Sites
kWh



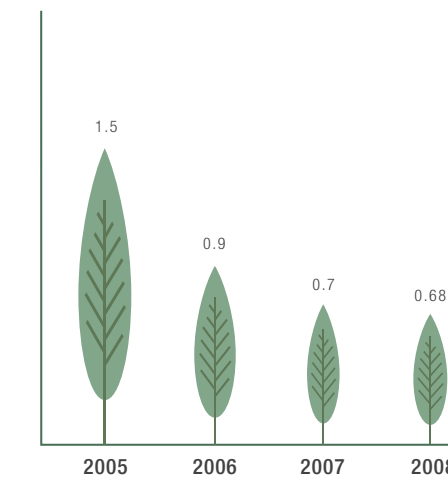
Energy Used⁽²⁾ Per Square Metre of GFA at Work Sites
kWh/m²



Total Water⁽³⁾ Used at Work Sites
m³



Total Water Used⁽³⁾ Per Square Metre of GFA at Work Sites
m³/m²



⁽¹⁾ The GFA is defined as all covered floor areas of a building, except otherwise exempted and uncovered areas for commercial uses are deemed the GFA of the building for purposes of plot ratio control and development charge. The GFA is the total area of the covered floor space measured between the centre line of party walls, including the thickness of external walls but excluding voids. GFA built per year is the product of percentage of completion (POC) for the year and total GFA. POC is the value of works done for the year divided by the total construction cost.

⁽²⁾ The electricity data includes both direct and indirect energy.

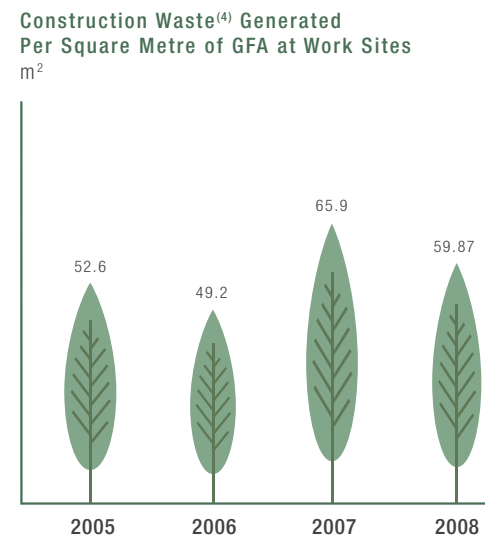
⁽³⁾ Water is defined as fresh potable water purchased from the Public Utilities Board (PUB).

Waste

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

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

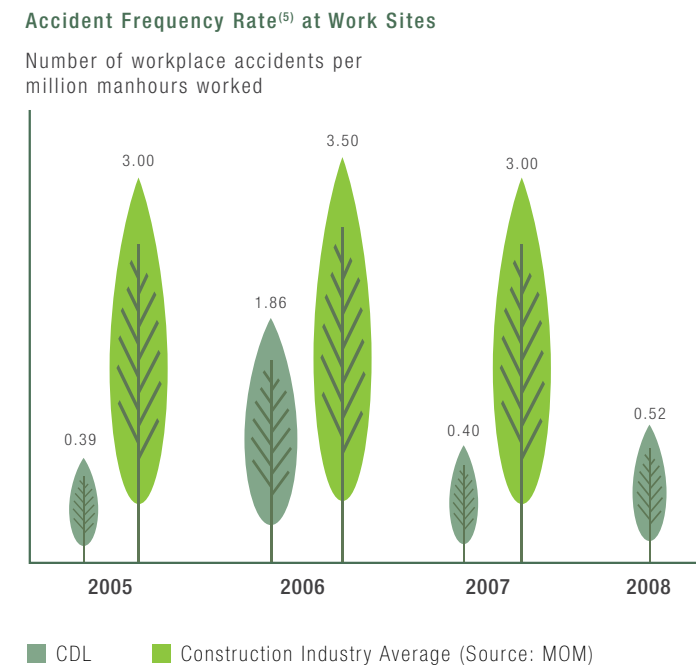
In 2008, CDL has generated waste of approximately 59.8 kg/m² of GFA built. For instance, at two major commercial projects, 7 & 9 Tampines Grande and 11 Tampines Concourse, the use of almost 100% precast construction contributed significantly to the reduction of total waste generated.



Safety

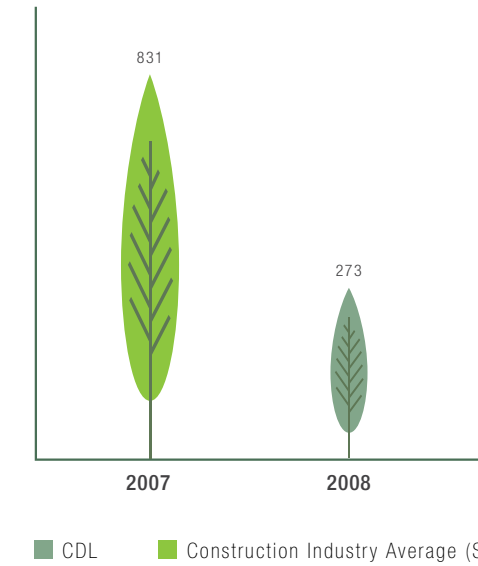
In 2008, CDL signed a leadership charter “Pledge for Zero – A CEO Commitment Charter”, an initiative by the Workplace Safety and Health Council and the Ministry of Manpower (MOM). CDL is committed to establishing a zero injury workplace and will continue to put in place the governance structure, resource allocation, communication and safety strategies at all our work sites.

Over the years, CDL’s Accident Frequency Rate (AFR) and Injury Rate has been consistently below the construction industry average value. With the stepping up on safety awareness initiatives at the work sites by the contractors, we remain committed to upholding our good safety record.



Injury Rate⁽⁶⁾ at Work Sites

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



Maintaining Biodiversity

Regardless of whether there is any mandatory requirement to conserve trees on site, CDL makes it a standard practice to assess all our sites during the planning stage to determine if any existing mature trees can be conserved on-site or transplanted at a later stage to or from another CDL site.

Some 10 mature trees have been transplanted in four completed projects in 2008.

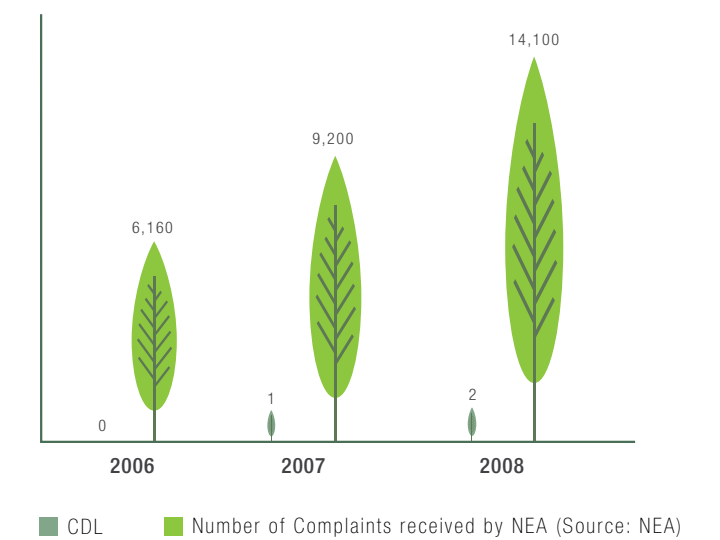
Noise

CDL is committed to complying with the noise limits allowed at all our work sites and ensure our contractors take all necessary actions to address any complaints due to construction noise.

In 2008, our work sites received two complaints regarding construction noise. One complaint was on noise generated from late night construction work at one of our work sites and another complaint was on the noisy activity at night before actual commencement of construction. In both cases, our contractors followed up with the residents, analysed / investigated the complaints. It was found that the noise levels were within the Maximum Permissible Noise Levels for Construction Work and in compliance with the Regulation.

Number of Complaints on Construction

Noise received at work sites



⁽⁴⁾ Construction waste is generated from construction, renovation and repair and is made up of wood, steel, concrete, gypsum, masonry, plaster, metal and asphalt.
⁽⁵⁾ Accident frequency rate refers to the number of workplace accidents per million manhours worked. Figures used are incident based. Construction Industry Average figure for 2008 has not been published by MOM. For details, please visit www.mom.gov.sg.

⁽⁶⁾ Injury rate refers to the number of fatal and non-fatal workplace injuries per 100,000 persons employed. Figures used are victim-based. Construction Industry Average figure for 2008 has not been published by MOM. For details, please visit www.mom.gov.sg. CDL data for 2007 is unavailable.

PROPERTY & FACILITIES MANAGEMENT DIVISION

Property & Facilities Management Division's business activity is the management of CDL's investment properties. The key environmental aspects for this division are energy and water. The data below has been collected from investment properties owned and managed by us⁽⁷⁾.

Property & Facilities Management Division has set specific environmental objectives and targets for our industrial buildings, please refer to page 56 for details.

As a landlord, besides monitoring the consumption of water and energy in our buildings very closely, we also provide recycling facilities for our tenants to encourage responsible waste management.

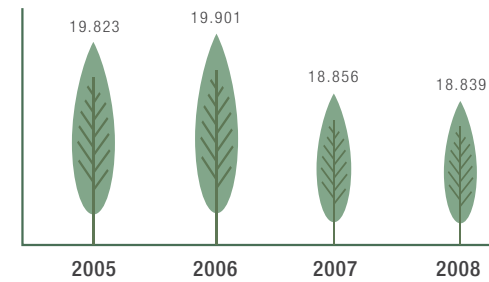
Energy

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

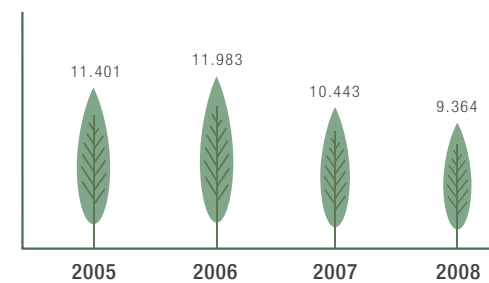
In late 2007, CDL's "1°C Up Campaign" was also introduced in 11 CDL buildings. 90% of our tenants supported this initiative to raise the air-conditioning temperature in their offices by 1°C.

As a result, we achieved the 5% reduction in absolute energy consumption in 2008 as compared to previous year. CDL also assists in monitoring the individual electricity bills of our tenants. If there are fluctuations of more than 10%, the building manager will duly investigate the increase together with the tenant to follow-up on the cause.

Energy⁽⁸⁾ Used at all 11 CDL Commercial Buildings
kWh/month/m²



Energy⁽⁸⁾ Used at all 5 CDL Industrial Buildings
kWh/month/m²



Total Energy⁽⁸⁾ Used at all 16 CDL Commercial and Industrial Buildings
kWh



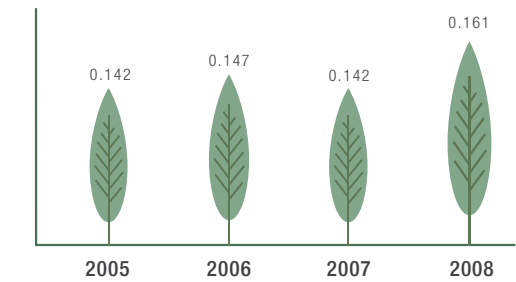
Water

In 2008, total water use increased largely due to higher occupancy in our buildings. In addition, with increased rental pressure, many of our tenants have been placing more employees in the same leased area, resulting in a higher volume of flushing and water usage. To mitigate this, we have installed more water-saving devices within our properties such as self-closing taps and water-efficient flushing cisterns. In all our new developments, we will make use of water-efficient fittings approved under WELS. As for the older water-fittings, we have placed thimbles to control the flow rate to help save more water.

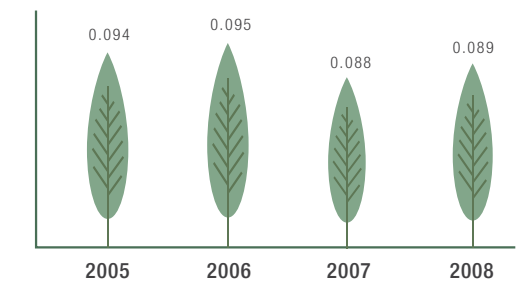
We have also been using NEWater⁽¹⁰⁾ for operations that do not require potable water in our buildings such as the sprinkler water tank and cooling towers from 2007. Currently, four CDL buildings are connected to NEWater supply. In 2008, we have saved 84,016m³ of fresh potable water by using NEWater.

CDL Commercial Buildings	NEWater used in 2008 (m ³)
Republic Plaza	35,033
Fuji Xerox Towers	18,091
Plaza By The Park	23,365
Palais Renaissance	7,527
Total	84,016

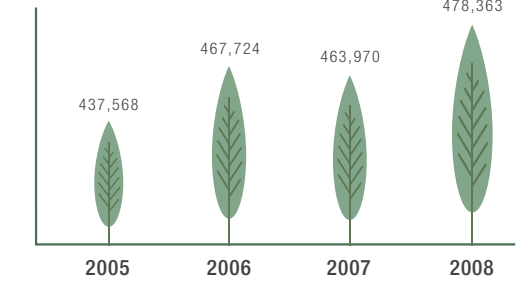
Water⁽⁹⁾ Used at 11 CDL Commercial Buildings
m³/month/m²



Water⁽⁹⁾ Used at 5 CDL Industrial Buildings
m³/month/m²



Total Water⁽⁹⁾ Used at 16 CDL Commercial and Industrial Buildings
m³



⁽⁷⁾ The energy and water data for 2005 were collated from mid-2005. As a result, the full-year 2005 data from Property & Facilities Management Division is an estimate, derived from the data available. Commerce Point was sold in 2008.

⁽⁸⁾ The energy data for the buildings includes (but is not limited to) the Mechanical and Electrical services provided in the building, e.g., lifts, air-conditioning and ventilation fans (where applicable), pumps and lighting in all common areas of the entire building. Tenants are charged individually for the use of electricity within their office.

⁽⁹⁾ The water data includes the total amount of water used in the buildings.

⁽¹⁰⁾ NEWater is treated used water that has undergone stringent purification and treatment process using advanced dual-membrane (microfiltration and reverse osmosis) and ultraviolet technologies.

Recycling

CDL has established a paper recycling programme for our tenants in all CDL buildings since 2005. All new tenants are presented with a "Project: Eco-Office" Kit to promote the 3Rs, namely Reuse, Reduce and Recycle. Recycling corners are also accessible to tenants to promote and cultivate the recycling practice.

In 2008, paper recycling volume at our buildings decreased as compared to previous years. This may be an indication of more efficient use of paper in the office which is a good practice. As we are unable to access paper purchasing data from our tenants, a good indicator for us to evaluate the effectiveness of this programme is to encourage higher participation amongst our tenants. The participation rate in this programme has increased from 68% in 2005 to 88% (2007: 81%) in 2008.

CORPORATE MANAGEMENT AND OPERATIONS

At the end of 2008, CDL achieved the environmental objectives and targets set for our corporate office including resource conservation of energy and paper use, pollution prevention on recycling of waste paper and end-of-life computer products, as well as adopting the green corporate culture of using eco-friendly paper for MarCom publications and eco-friendly office equipment or furniture.

Energy

In the last two years, our efforts in energy conservation measures have achieved a 10% reduction. In 2008, there was a significant improvement of more than 5% of our target, mainly contributed by installing energy-efficient Nanoflex Reflectors within our offices. This has helped to reduce the use of more lighting tubes.

As we were renovating some of our offices between 2005 and 2006, due consideration was given to make use of natural daylighting in the design of the new office layout. The enhanced daylighting has helped to reduce the need to switch on some of the office lights in the day. Motion sensors have also been installed to activate the lights in the toilets and offices. We also introduced task lighting in some of our offices to minimise the general lighting level.

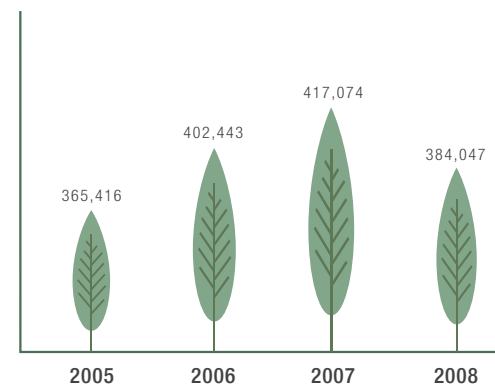
Paper

Similarly, in 2008, CDL reduced paper use by 11% as compared to the previous year at the corporate office. We have far exceeded our target of 5% reduction. Every employee has made conscious effort to use less paper, for example, by utilising e-mail, e-filing and photocopying/printing

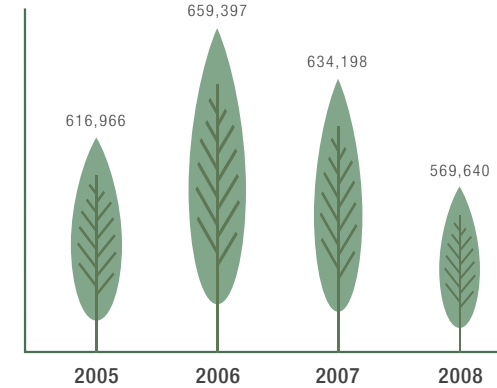
on both sides of the paper. An e-appraisal system for employees was also introduced in 2008 in place of paper documentation.

The reams of paper used in our corporate office are also eco-friendly, preference being for paper certified by the Forest Stewardship Council (FSC). In 2008, CDL adopted a green corporate culture of opting for at least 50% use of eco-friendly paper in all MarCom publications. We have achieved this target and will continue to improve on our performance.

Total Volume of Paper Recycled⁽¹⁾
kg



Total Energy Used at the Corporate Office
kWh



Total Volume of Paper Used at the Corporate Office
Number of A4 reams



⁽¹⁾ The paper recycled data reported in the last report include all residential and commercial buildings. The data presented in this report includes only paper recycled from CDL commercial buildings and the residential data has been omitted for better representation.



2008 Environmental Performance and 2009 Targets

PROJECTS DIVISION		
Objectives	2008 / 2009 Targets	Performance in 2008
Electricity Consumption	45 kWh/m ² of GFA	Achieved 43 kWh/m ² of GFA
Water Consumption	2 m ³ /m ² of GFA	Achieved 0.68 m ³ /m ² of GFA
Waste Generation	75 kg/m ² of GFA	Achieved 59.87 kg/m ² of GFA

PROPERTY & FACILITIES MANAGEMENT DIVISION		
Objectives	2008 / 2009 Targets	Performance in 2008
Average Electricity Consumption of 5 CDL Industrial Buildings	9.9 kWh/month/m ²	Achieved 9.364 kWh/month/m ²
Average Water Consumption of 5 CDL Industrial Buildings	0.09 m ³ /month/m ²	Achieved 0.089 m ³ /month/m ²

CDL CORPORATE MANAGEMENT AND OPERATIONS				
EHS POLICY KEY POINTERS	OBJECTIVES	2008 TARGETS	PERFORMANCE IN 2008	2009 TARGETS
"Green" Corporate Culture	To use eco-friendly paper in all MarCom publications	To achieve 50% use of eco-friendly paper for all MarCom publications	Achieved 95% use of eco-friendly paper	To achieve 70% use of eco-friendly paper for all MarCom publications by end of 2009
	To purchase/use eco-friendly office furniture, fittings and equipment	(a) To re-use at least 30% of office furniture and fittings in all CDL newly renovated offices (b) To purchase eco-friendly office equipment	Achieved 70% re-use of office furniture and fittings for addition and alteration works	(a) To re-use at least 50% of office furniture, fittings and equipment or use sustainable products in all CDL newly-renovated offices (b) To purchase eco-friendly office equipment
	To promote eco-consciousness and a 'green' culture among employees	New target for 2009		To organise eco-related awareness events/campaigns for employees
Resource Conservation	To reduce the use of paper	To achieve 5% reduction in paper usage for in-house photocopying and printing	Achieved 11% reduction in paper consumption	To achieve 5% reduction in paper usage for in-house photocopying and printing by end of 2009, using 2008 as the baseline
	To reduce the use of electricity	To achieve 5% reduction in electricity usage	Achieved 10% reduction in electricity consumption	(a) To achieve 5% reduction in electricity usage by end of 2009, using 2008 as the baseline (excluding computer room) (b) To monitor power utilisation of computer room
Pollution Prevention	To dispose waste paper responsibly	To monitor collection of waste paper including out-dated printed materials for recycling	The total yearly collection of waste paper is 7,176 kg	To monitor collection of waste paper, segregation of office used paper and other used paper by end of 2009
	To dispose end-of-life computer related products through eco-friendly methods	To enroll into "HP Planet Partners and Recycling Programme" by September 2008	Enrolled into "HP Planet Partners and Recycling Programme" in April 2008	To monitor collection of end-of-life computer related products for recycling by end of 2009



IN FOCUS: SILT WATER TREATMENT CUM WATER RECYCLING SYSTEM PROGRAMME AT CDL WORK SITES

Singapore has no natural resource which makes the proper management of our water even more critical. Thus, CDL has made it a priority to closely monitor and explore innovative ways to conserve water at our work sites. This led to the introduction of the Silt Water Treatment cum Water Recycling System in 2004.

Our objectives for this programme were to implement a system that would lead to more efficient use of water at the work sites, reduce the volume of potable water consumed and to prevent water pollution by managing the quality of the water discharged from the work sites into Singapore's public waterways, which makes up part of Singapore's precious water supply.

In this system, silty water generated at the work sites is treated and recycled into usable water for washing and general cleaning purposes to supplement the use of potable water. The system consists of a water storage tank where wastewater is collected, treated and stored for general site cleaning and washing, sanitation and irrigation. This system was the

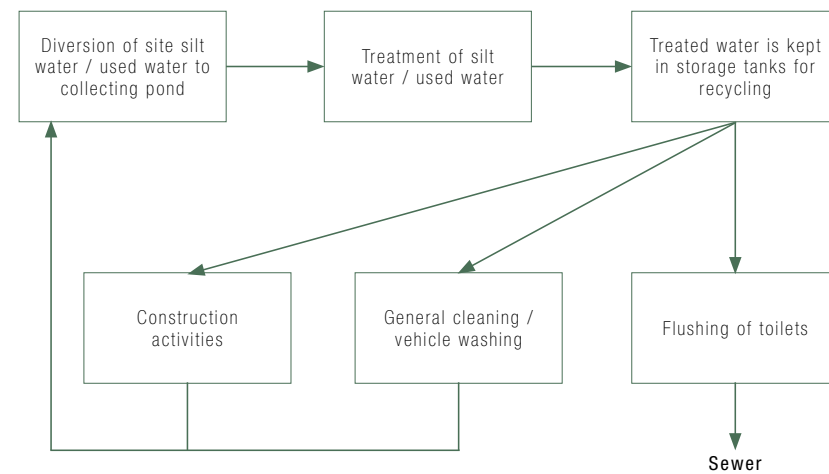
first of its kind used at work sites in Singapore when it was introduced to our Parc Emily work site in 2004.

By 2007, this Silt Water Treatment cum Water Recycling System was further improved and enhanced to increase the quantity and quality of recycled water. This has led to wider uses of the recycled water which now includes plastering and concreting, water ponding tests, window water tightness test, piping pressure and leak tests.

For instance, at The Oceanfront @ Sentosa Cove, the water consumption projected for the first twelve months of construction was about 29,200 m³. With the use of the Silt Water Treatment cum Water Recycling System, the actual amount of potable water used was only 5,352 m³ or 0.5 m³ per GFA built. This represents a substantial reduction of more than 80%.

To-date, similar Silt Water Treatment Cum Water Recycling Systems have been installed at all CDL work sites.

Silt Water Treatment & Water Recycling System



Based on Singapore's legislated code, the water discharged to public waterways must not exceed a TSS level of 50 mg/litre. CDL's effective silt and earth control measures have helped to achieve a remarkable TSS of between 10 and 15mg/litre for treated water discharged into the waterways

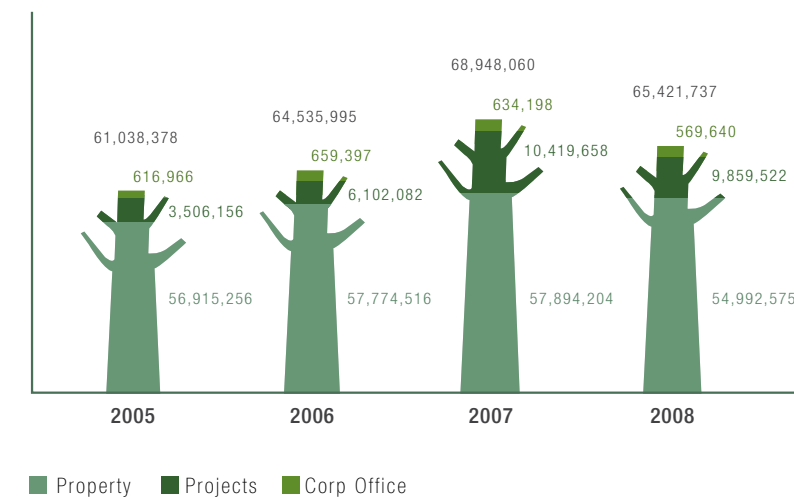
SUMMARY OF ENERGY USED AND CARBON EMISSIONS

In 2008, our focus and efforts in energy conservation have led to more efficient use of energy in our business and have achieved a 5% reduction in total energy use and carbon emissions in our corporate buildings and investment buildings. There has also been a significant improvement at our construction sites with a reduction of 20% in energy usage per square meter of GFA.

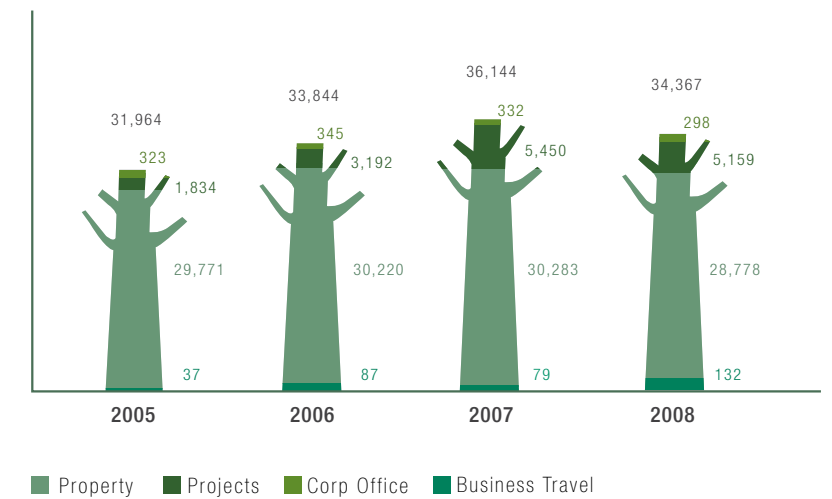
For instance, the energy used per m² of GFA during the construction of projects developed by CDL has decreased from 55 to 43 kWh/m² in 2008. The amount of energy used has also decreased substantially in 16 of our commercial and industrial buildings. The energy used in our corporate office has also decreased.

In 2008, business air travel has also been included in the total carbon emissions data representing 0.4% of total carbon emissions.

CDL's Total Energy⁽¹²⁾ Used kWh



CDL's Total Carbon Emissions⁽¹²⁾ tonnesCO₂



⁽¹²⁾ Energy conversion ratio: 1 kWh electricity = 0.52307 kgCO₂ (2005-2007 data) and 1 kWh electricity = 0.5233 kgCO₂ (2008 data). Source: National Environment Agency.

FROM
EMPLOYEE PARTICIPATION

TO
A SENSE OF PRIDE

Our employees make-up the foundation of the Company. CDL strives to be more than just a place of work. We want to be an employer of choice and create an environment our employees can call a second home by empowering, nurturing and valuing our people.

Investing in our people is paramount. After all, their success is as much theirs as it is ours.

Chapter 5

EMPOWERING OUR PEOPLE

OVERVIEW OF CDL'S EMPLOYMENT POLICY AND PRACTICES

At CDL, we strive to create a workplace of choice for our employees.

With a workforce of over 300 employees in Singapore, we believe in the practice of fair employment and have signed the Employers Pledge for Fair Employment Practices with The Tripartite Alliance for Fair Employment Practices (TAFEP)⁽¹⁾ in 2008 in addition to upholding the United Nations (UN) Global Compact principles on human rights and labour.

Recognising that our employees make up the fabric that strengthens our Company, CDL has put in place Key Performance Indicators (KPIs) that will help us develop a talented, motivated, happy and healthy workforce. These KPIs include improving the competencies of our employees by incorporating comprehensive programmes and policies to cultivate and develop the potential and well-being of our most valuable asset.

We also aim to create a conducive work environment that supports a corporate culture of work-life harmony and to improve the health of our employees with targets such as achieving an annual turnover rate of less

than 20% and four days or less of medical leave taken per employee per year. Both these targets have been achieved in 2008. Our goal is to also be an industry leader in workplace health and work-life initiatives. In this regard, we have made positive headway and have been winning key national and regional awards in this area.

BUILDING ON A FAIR WORKPLACE – POLICY OF NON-DISCRIMINATION

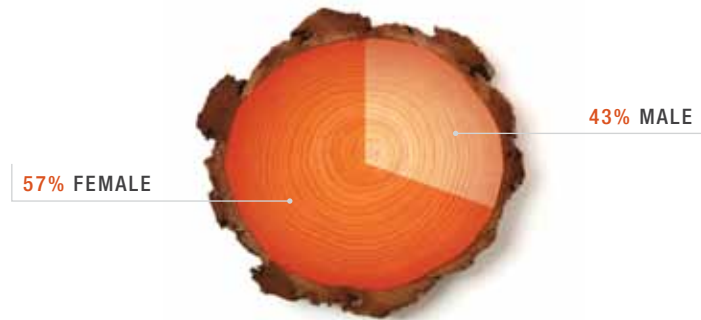
In accordance with CDL's policy on non-discrimination and fairness, we adhere to strict guidelines in the recruitment process when new employees are needed. Recruitment advertisements placed in the newspapers and recruiting websites do not have gender, ethnic and age preferences. In 2008, there were no reports of incidence of discrimination by our employees.

CDL takes pride in having under our fold a diverse and well-represented workforce which we draw on, capitalising on their strengths while nurturing their immense potential. Our success is not attributed to any one individual but to the careful development of a competent and cohesive workforce.

Gender

CDL believes in equal opportunity. Therefore, it is immaterial that our workforce is predominantly female as our hiring policy is based on merit. Female employees are also represented at the senior management in the Company and currently, 12 of the 21 Heads of Departments are led by females.

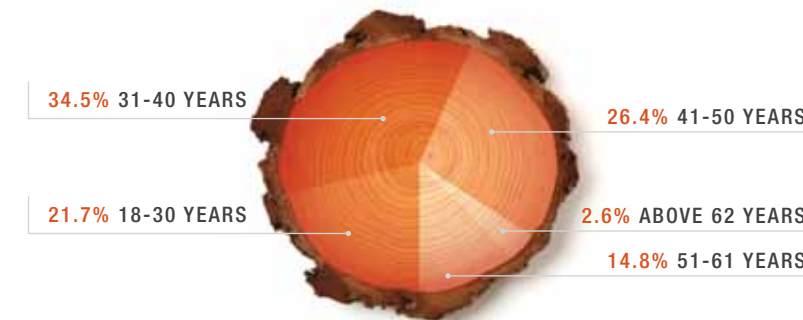
Gender Profile of Heads of Department



Age

Employees are the backbone of a company and regardless of age, all CDL employees make a significant contribution based on their talent, expertise and experience. The majority of the CDL workforce, accounting for 60.9%, are between the ages of 31 and 50, unchanged from 2007. In the current financial turmoil, we can tap on the knowledge and experience of older employees who have gone through previous tumultuous business cycles to help offer guidance to weather out this challenging economic environment. Similarly, we have been encouraging younger employees to bring forth fresh and innovative ideas to invigourate the business and to control cost.

Age Group Profile



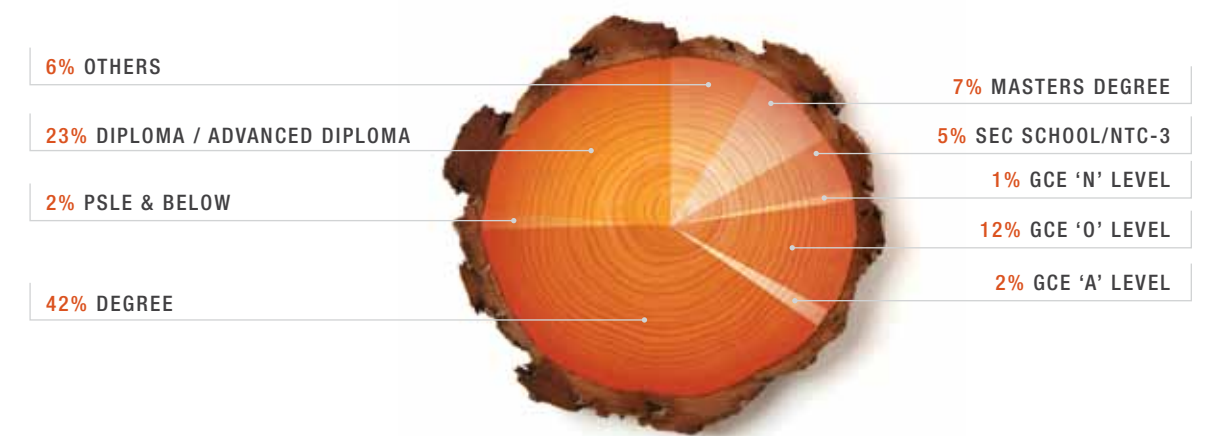
In spite of the increasingly challenging labour situation, CDL has continued to extend employment to employees who have past the retirement age of 62 under the Singapore Retirement Age Act. So long as they are performing up to expectations and are certified medically fit, they will be able to continue their employment on a yearly contract. 2.6% of our employees are over the age of 62.

Even though the Act also provides Singapore employers with the discretion to reduce their wages by up to 10% when extending employment beyond 60 to help ease the cost burden, we value the contributions of our older employees and continue to extend full remuneration to them when they attain 60 years old.

Education

We have been fortunate to employ and retain a vibrant, motivated and qualified workforce which has been critical in providing CDL with a competitive advantage. The vast majority or about 72% of our employees hold tertiary qualifications and above (this includes holders of diploma, degree and Masters qualifications).

Educational Profile



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

ATTRACTING AND RETAINING A HAPPY WORKFORCE – REMUNERATION, BENEFITS AND PRO-EMPLOYEE PROGRAMMES

At CDL, we seek to engage quality employees who are motivated, talented and capable with the potential to help take the business to the next level. As one of Singapore's largest companies by market capitalisation, leader in the property industry and recipient of multiple business and community related awards, CDL is well established in Singapore as a company with proven financial and social performance over the last 45 years. As a result, this makes CDL a well-sought after company in the employment market.

Creating a fair workplace, employees are offered a mutually-agreed upon remuneration package based on the responsibilities that they are expected to undertake within the organisation as well as their prior experience. The overall package is performance-driven and is not based on seniority. To further encourage and reward employees for a job well done, they are awarded bonuses of different quantum according to their performances rated by their Heads of Departments during an annual performance appraisal. Beyond the performance review, issues such as skill enhancement and career development are also addressed. These quanta are moderated and endorsed by Senior Management with input from Human Resource (HR) Department.

For 2008, we are happy to report that the annual employee turnover at 17.1% is lower than the national annual average of 23.7%. The average length of service of each employee at 8.1 years (2007: 8.3 years) is an indication of our employee's commitment and loyalty to the Company. Furthermore, 50% of our employees have been with the Company for more than five years, another indicator of employee satisfaction.

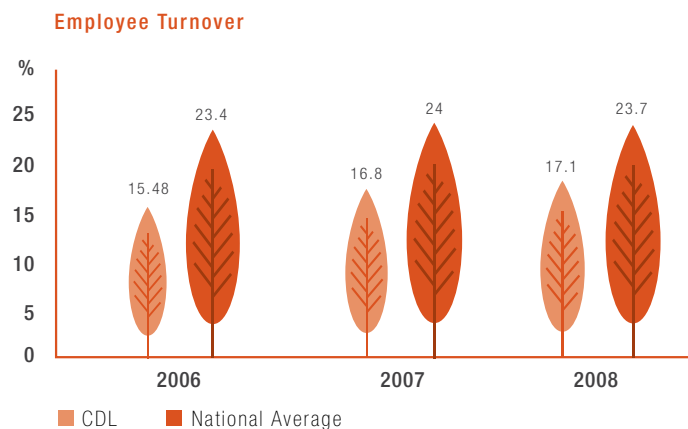
In November 2008, we conducted our first online Employee Survey to seek employees' feedback on how they feel about working with CDL and how the Company can continue to improve our workplace and business performance. We are happy to report an average satisfactory rate above and beyond our target of 90% for all the survey categories.

Training

CDL also has in place strategies to further cultivate the talents of our invaluable employees. We view it as an indispensable investment for their personal development and contribution towards the success of the Company. Learning and training programmes also aid in increasing employee satisfaction and encourage retention.

CDL's HR policies provide employees with the opportunities for professional development and skill improvement through sponsorship of full-time training courses and part-time certification programmes. Annual training needs analysis is also held to identify the training needs of employees. When looking at development of employees, CDL focuses on both the technical and specific skill sets the employees will need to do their jobs.

In 2008, a total of 1,075 hours (2007: 1,193 hours) had been dedicated to CSR and environmental-related training. This includes participation in the CSR Conference 2008, Green Solutions for a Sustainable Environment, Joint ACCA Sustainability Conference & Award 2008, Leadership in Green Building, Singapore Compact: Evaluating & Measuring CSR Effectiveness, Sustainability: Avoiding the Green Premium, Sustainable Energy Development, Towards a Green, Safe and Friendly Built Environment, Workplace Safety & Health Act and Risk Management, etc. As our workforce increasingly receives more training in this area (coupled with a relatively low employee turnover rate), it becomes more challenging to maintain or increase the number of training hours due to the limited availability of training at more advanced levels. Furthermore, other factors to bear in



mind include the relevance of further training dependent on the needs of the job and personal interest of the employees.

Recognising the importance of the Whistle Blowing Policy, training was organised company-wide for all employees progressively from 2007 to 2008.

Youth Development

CDL has various platforms to provide employment opportunities as part of our continued CSR commitment towards youth development. To recruit youth with potential, CDL offers scholarships to students with good academic results. These students will be bonded to the Company for three years and are given opportunity to grow and take on roles apportion to their potential. We also support various student's industrial attachment programmes from the polytechnics and universities. These students are attached to different departments based on their field of studies over a period of seven to 24 weeks.

In partnership with Asia Women's Welfare Association (AWWA), a voluntary welfare organisation that caters to young people with special needs, we participated as a corporate partner under their Teach Me (TM) Inc programme that offers physically challenged youth the opportunity to be coached in CDL, thereby helping them to be independent in the long run. Two youths have since come on board CDL on an internship assignment for a period of six months and one of them who showed great potential was subsequently offered a permanent position in March 2009.

The Employment Act

CDL employees are eligible for benefits in accordance with the Employment Act in Singapore. The Employment Act is the primary statute governing individual employment relations in Singapore, but there is a body of other laws including the Retirement Age Act and Children Development Co-Savings Act that govern general employment standards. Even though the Employment Act does not cover managerial, executive or confidential employees, CDL extends to them similar or better benefits.

On 1 January 2009, the Employment Act was revised but the impact is minor as CDL has already extended to employees the same or even better

benefits. For example, CDL extends paid Public Holidays and paid sick leave to all employees from the day the employee joins which is not necessary under the previous Employment Act, which requires that companies provide such benefits only to those covered under the Employment Act.

CPF Scheme and Retirement

The Central Provident Fund (CPF) is a comprehensive social security savings plan that has provided many working Singaporeans with a sense of security and confidence in their old age. CDL helps employees make monthly contributions which are deductible from their monthly gross salary into their CPF accounts as required by law. CPF contribution is a percentage of the monthly salary and varies according to the employee's age. These savings earn a minimum risk-free interest of 2.5% guaranteed by the Government. In 2008 and 2009, portions of the savings will earn a guaranteed minimum 4% interest.

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

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

Pro-Baby Legislation

Making CDL a more conducive place for families, CDL has adopted measures in line with the Government's pro-baby legislations which were passed and made effective from 31 October 2008. The revisions were made to enhance pro-baby benefits such as extended maternity leave, childcare and infant care leave.

For instance, paid maternity leave has been extended from 12 weeks to 16 weeks for mothers with Singapore Citizen births. Employees with Singapore Citizen children will be entitled to six days of paid childcare leave per year (previously two days per year) if they have at least one child under the age of seven years. Employees with Singapore Citizen children may apply for up to six days of unpaid infant care leave per year to care for their child of two years or below of age.⁽²⁾

Dynamic Pro-Employee Programmes

CDL believes in developing employee engagement strategies to drive the message of connectivity and commitment into the hearts and minds of employees. These strategies are categorised into three dimensions, mainly, i) work-life harmony/pro-family culture, ii) workplace health and iii) employee engagement.

i) Work-Life Harmony/Pro-Family Culture

Work-life strategy is important to CDL as we recognise the business benefits of helping employee strike a good balance between work and personal commitments. This also helps to support the changing needs and demands of the new generation who view work flexibility as an important factor influencing their choice of employer.

Our employees enjoy a wide range of benefits and programmes that aid in enhancing work-life harmony. We are open to flexi-work arrangements for employees, thus allowing them to manage their time more effectively. Options include flexi start-and-end work hours where employees may choose their working hours within management-set limits, flexible work arrangements and to switch to a permanent part-time work arrangement for

employees with exceptional family commitments. Over 30% of employees have opted for this flexi start-and-end work hours arrangement and two employees have switched from permanent full-time to part-time work arrangement. May and June 2008 were also designated as CDL Family Month and a series of family-life activities were arranged to promote a balanced work-life culture in CDL.

CDL has successfully attained the Work-Life Excellence Award 2008 conferred by The Tripartite Committee on work-life strategy that comprises more than 10 member organisations from the government, unions, employer, employee and business association representatives. Receiving this award affirmed our efforts to create a positive work-life harmony environment that places great value on maximising our employee performance.

ii) Workplace Health

CDL has a dedicated work-life committee, which comprises staff representatives across all departments. They plan and execute family-



CDL employees, together with their families, enjoy a rustic time at an outing to Pulau Ubin, just one of the many activities organised by CDL to promote Work-Life Harmony.



By working hard and playing hard together, CDL employees have cultivated a strong bond with the Company and camaraderie with their colleagues.

friendly and health-related programmes. In 2008, we promoted the "Healthy Mind, Happy Life" programme. For details, please refer to page 69.

We also partnered with a fitness centre to offer attractive corporate membership rates to employees and their family members. Employees are also given free annual basic health screening which is conducted during working hours to promote total wellness. Family members are also encouraged to participate in the health screening programme at a discounted price.

Beyond the basic obligation for sick leave under the requirements of the Employment Act, CDL has incorporated a Prolong Illness Scheme available to employees who fall critically ill. Under this scheme, critically ill employees have the option to recuperate at home for 18 months. They will continue to draw a full monthly salary during the first six months, half the monthly salary for the next six months and no salary extended but still be employed for the last six months.

CDL has also progressed from a Gold Singapore H.E.A.L.T.H. (Helping Employees Achieve Life-Time Health) Award winner since 2005 to a Platinum Award winner for the first time 2008, the highest honour given

to an employer based on the merits of the programme implemented. This award reinforces our corporate philosophy as a caring and responsible employer that is concerned for the well-being of our employees.

At the corporate office, we have had zero injury rate and occupational diseases from 2006 to 2008. There have also been no lost days due to work-related fatalities. The average medical leave taken per employee per year has remained constantly at four days or less from 2006 to 2008.

iii) Employee Engagement

CDL encourages open communication and positive employee bonding to create a happy work-life that boosts productivity.

New employees undergo an orientation programme that helps them to settle in comfortably in their new work environment and to be effective in their new role and responsibilities. The programme includes orientating new employees to our "Green" culture and ISO 14001 awareness.

New employees will also have the opportunity to meet our Managing

⁽²⁾ The benefits are subject to eligibility.

Director and senior management where they may share their opinions freely or ask any work-related questions. This helps new employees better understand the Company's vision, mission and corporate culture.

When there are changes in HR policies, briefings are organised for employees to understand the new or revised procedures in detail and to help address any employee's queries or doubts. Employees can also refer to the CDL Employee Handbook on CDLNET, an intranet portal, which details the Company's terms and conditions of employment, benefits, HR policies and practices including the Whistle-Blowing Policy and the Code of Business and Ethical Conduct. A new platform, titled "CDL Insight Forum", initiated in September 2008, provides a monthly opportunity for one department to present their operation's goals and procedures. This helps to foster better understanding of the inner workings of the Company, enhance intra-department cohesiveness, inspire and exchange ideas amongst employees.

In the event that an employee has any grievance to report, there are systems in place to ensure that he/she may make the complaints with confidentiality. The process is straightforward. An employee with a grievance may discuss it with his immediate supervisor/manager of the unit. If the grievance is not resolved, the employee may discuss the matter with the Head of Division / Department or Head of HR who will give a reply or explanation. If the employee still feels that the grievance

is not properly addressed, it will be dealt with by the Senior Management comprising the Group General Manager and the Head of the Department where the employee belongs, together with the Head of HR to ensure the matter is heard in a fair and impartial manner.

We believe that outside of work, there should be social activities to provide added opportunities for employees to interact and foster an engaged workforce. Thus, a wide array of social activities are organised by various committees, formed by employees that cut across the various departments. They include the Work-Life Committee which organises workplace health related activities, the C-Base Committee which helps to promote interaction and bonding among employees who share common interest at the employee lounge and the Staff Connect Committee which aims to build a closely-knitted workforce within CDL and foster a sense of belonging and camaraderie among all employees through working, playing and growing together. Another bonding opportunity is through the participating of activities under our City Sunshine Club, an employee volunteers club, which provides the opportunity for employees to volunteer their time and talent in the Company's community efforts.

As CDL believes that connected employees perform better, we will continue to seek innovative ways to organise programmes that reinforces employee's sense of feeling valued and involved, nurturing the team spirit and a belonging to this CDL family.



Throughout the year, CDL employees have many opportunities to get together for some merry making to foster goodwill and bonding, especially during the festive seasons like Christmas and Lunar New Year.

IN FOCUS: HEALTHY MIND, HAPPY LIFE!

At CDL, the HR Department organises a comprehensive range of welfare programmes for employees. However, each year, the department streamlines its strategy to focus on one specific theme which it believes is pertinent to the overall well-being of the employees.

The Workplace Health Promotion & Work-Life Excellence Programme for 2008 focused on "Healthy Mind, Happy Life!" to promote positive mental health by raising awareness of the importance of mental well-being and enhancing one's self esteem and resilience through a carefully planned calendar of activities including lunch-time talks, mental wellness campaigns, office stretching exercises, monthly fruit/snack distributions and weekly exercise classes.



A myriad of welfare programmes including belly-dancing sessions have proven to be well appreciated and attended by CDL employees.

Some key highlights of the campaign include the Employee Assistance Programme (EAP) which provides confidential counselling assistance to employees in the form of telephonic, face-to-face or e-mail consultations by accredited professional counsellors in the areas of work, interpersonal relations, marriage and family. To promote the service, a stress-ball in the form of a cute little penguin with the contact details of the EAP was disseminated to all employees.

To reinforce and remind employees on the importance of being happy and to keep smiling, a "Best Smile Contest" was held. Snap shots of employees, proudly displaying a toothy grin, were taken and five cheerful winners were announced in May 2008.



The "Tree of Thanks" with some 260 thank you notes of appreciation.

In July, a "Tree of Thanks" was created to provide an interactive and creative platform for employees to write a note of thanks to show their appreciation for their fellow colleagues. This exercise generated quite a buzz in the office and the Tree was filled with some 260 thank you notes!

Employees have been very supportive of these activities. For instance, lunch-time talks see an average participation of 27.5% of employees.



FROM
COMMUNITY OUTREACH

TO
ENRICHING THE COMMUNITY

At CDL, we view our role in our society as a developer of lives and communities. Our CSR philosophy stems from a strong tradition of giving back to the society which has resulted in the development of extensive sustainable outreach programmes and a dynamic volunteer platform which helps us to extend hope, enrich and empower the lives of those we touch.

We are mindful that to create a better tomorrow, respect for the community and environment is pivotal.

Chapter 6

DEVELOPING WITH THE COMMUNITY

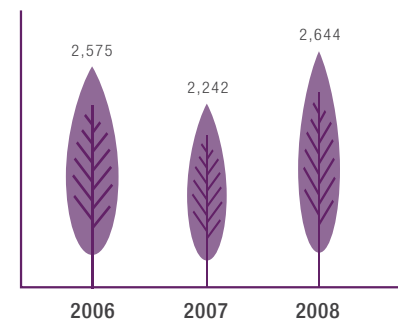
COLLABORATIVE EFFORTS FOR OUR COMMUNITY

2008 has been a challenging year. Many corporations have been affected financially by the global economic meltdown and this has had a direct impact on their CSR commitments.

In spite of the downturn in 2008, CDL has remained committed to our extensive range of community programmes. Our strategy has always extended beyond philanthropic donations and our support has included sustainable contributions in the form of active employee voluntarism, initiating and implementing community outreach programmes, tapping on our wide network of resources and contacts to collectively help aid and effectively serve the community we operate in.

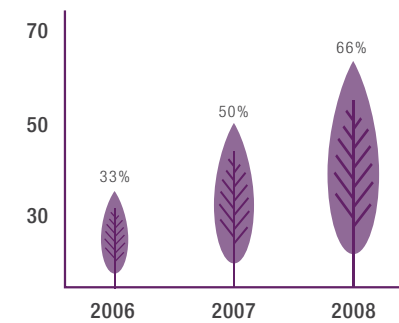
Employee Volunteer Manhours

Total Manhours



Employee Volunteer Participation Rate

%



We are happy to report that with active employee engagement via a wide range of programmes and events in 2008, CDL employees contributed over 2,600 hours of community work, an increase of 4%. Participation rate also increased from 50% in 2007 to 66% in 2008. We are happy to report that this exceeds our 2008 targets which are set at 50% employee volunteer participation and 2,500 employee volunteer manhours per year.

Recognising that the community needs our help most when times are bad, we have not reduced our investment in the community in 2008.

We expect 2009 to be even more tenuous as the impact of the economic recession will be more hard felt in the community. Nevertheless, we remain steadfast in continuing to support our long-standing beneficiaries as we weather through this financial storm together. To combat this, we aim to innovatively stretch our resources and place our efforts and support in areas of greater need.

Our sustained strategy of focusing our community initiatives in the four core areas including the environment, the arts, youth development and the less fortunate will remain unchanged as we have developed stronger and more synergistic collaborations with our partners and beneficiaries which include public and private organisations, non-governmental organisations (NGOs) and governmental agencies.

Apart from sustainable community programmes, we have also continued to employ a model of engaging our stakeholders beyond acts of philanthropy. For 10 years now, we have maintained active employee volunteerism through our employee volunteer platform, City Sunshine Club (CSC), and leveraged on them to lend their talent and expertise towards supporting the beneficiaries that require assistance. CDL employees were meaningfully engaged in helping the needs of the less fortunate through befriending, youth mentorship, sharing of expertise and pooling of resources to help community partners. For details on CSC, please refer to page 79.



The spirit of voluntarism at CDL was at an all-time high during the Assisi Hospice Charity Fun Day 2008. Some 225 employees from the CDL Group lent a hand to help out for a worthy cause.

Caring for the Less Privileged

Singapore may be one of the most modern and affluent countries in Asia, but there are still many in our midst that need a helping hand. Supporting the less privileged encompasses assistance to the elderly, sick, intellectually challenged and those disadvantaged by social circumstances.



CDL volunteers step up to the Special Olympics Challenge at the National Vertical Marathon held at Republic Plaza, CDL's flagship commercial building.

For three consecutive years from 2007 to 2009, CDL employees together with their families, stepped up to lend a hand in the Special Olympics Challenge at the National Vertical Marathon organised by Nanyang Technological University Sports Club held at Republic Plaza. In February 2008, over 40 employee volunteers played buddies to 36 Special Olympians in completing the 60-storey relay race to the top of the building. In addition to sponsoring the venue, CDL also sponsored the CDL Corporate Challenge category to encourage our office tenants, partners and business associates to adopt a healthy lifestyle by participating in the vertical marathon.

Bringing some festive cheer to the elderly, CSC volunteers brought some 60 residents from Henderson Senior Citizens' Home to a sumptuous lunch at CDL's Grand Shanghai restaurant to celebrate Lunar New Year.

The residents enjoyed themselves immensely, many singing and dancing to evergreen tunes by the live band. Ending the day on a high note, the residents were also presented with *hongbaos* donated by Hong Leong Foundation.



During the Lunar New Year, CDL volunteers brought festive joy to the residents from Henderson Senior Citizens' Home at a luncheon held at Grand Shanghai restaurant.

CDL employees turned up in full force to support the Assisi Hospice Charity Fun Day 2008 in May. The Group took up a 37-metre long pavilion offering delectable delicacies as well as exciting games for the young and old. Some 225 employees from the Group volunteered and chalked up about 1,200 volunteer manhours for the event. In the spirit of fun and competition, the stalls competed against each other, aiming to make the most sales for the day. The event was a wonderful success, attracting some 10,000 visitors and raising about S\$600,000 for the Hospice. CDL has been a long-term corporate partner to Assisi Hospice since 1999, a charity organisation that provides palliative care to adults and children suffering from cancer and other life-limiting illnesses.

Every year, CDL makes it a point to engage Assisi Hospice to evaluate the efforts of the year and to also discuss the possible collaborative efforts in the coming year. This makes the relationship more productive as we can make certain that our contributions are more resourcefully utilised and made more meaningful.

Shaping Our Environment

In 2008, our green efforts remained unabated and it has been most heartening to see increased interest, support and participation by public and private organisations alike.

Ongoing green initiatives include Project: Eco-Office, initiated by CDL with Singapore Environment Council (SEC), a NGO, in 2002 to help businesses go green in the office. Companies are also encouraged to participate in an online green office audit and when ready, a formal office audit is conducted by an independent auditor. Successful companies will be awarded the Green Office Label certification. The programme has gained much momentum, as evidenced by from the increased interest from companies who decide to go green. In 2008, 15 companies including BP, the Royal Bank of Scotland and CDL's subsidiary, CBM Pte. Ltd., were presented with their certifications during the Green Office Label Presentation Ceremony. Since its launch in 2005, 37 offices have been certified with the Green Office Label. For more information about Project: Eco-Office, please visit www.ecooffice.com.sg. The affirmative support evident in the increased demand and interest spurs both SEC and CDL to

grow the programme further. Towards this end, we constantly engage SEC in dialogue to strategise to make the programme even better.

We supported two key Clean and Green Singapore (CGS) events in 2008 – 10% Energy Challenge and the Schools' Carnival 2008 by National Environment Agency (NEA). The 10% Energy Challenge was launched in April 2008 with the aim of encouraging an energy-efficient lifestyle at home. As part of the campaign, 1.13 million Energy Efficiency information kits containing useful materials such as energy-saving tips and stickers were sent to all households in Singapore. We also supported a supplementary project to the 10% Energy Challenge, Project Carbon Zero, which is managed by SEC and targets Primary 3 to 5 children with similar objectives. The project garnered the participation of almost 1,300 students. For details on the CGS Schools' Carnival, please refer to page 78.

CDL also sponsored eco-activities such as the National University of Singapore (NUS) Green Carnival which helped bring the urgent message of environmental conservation to over 30,000 NUS undergraduates, employees and academics, through various student-initiated environmental projects.

To further our support towards environmental conservation and youth development, CDL signed a Memorandum of Understanding (MoU) with the NUS School of Design and Environment through its Master of Science (Environmental Management) programme in August 2008. The objective of the collaboration is to find solutions and develop products that address environmental issues which may be incorporated into future CDL projects. This marks the first partnership between NUS and a leading property developer in the area of environmental management to develop workable solutions to ensure the sustainability of the built environment.

In May 2008, CDL hosted the Green Heart Gala Dinner to raise funds to further the conservation and educational work of our long-standing partners and local NGOs, SEC and Nature Society (Singapore) (NSS). The

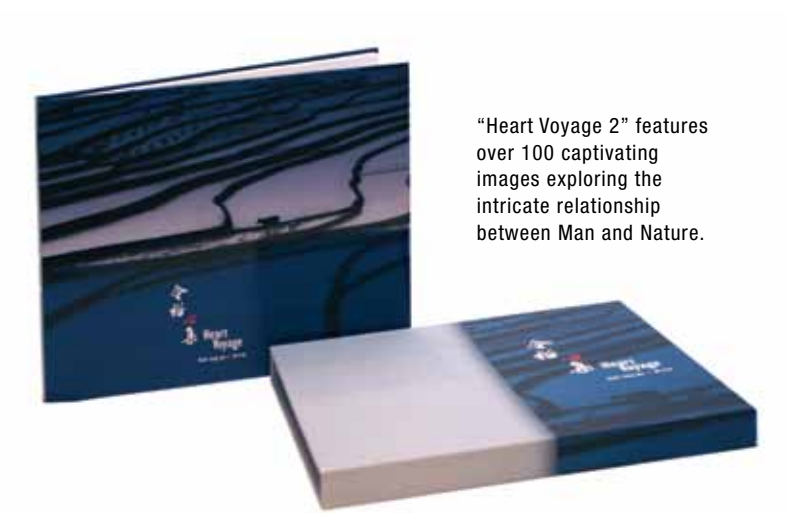
A MoU was signed between Mr Kwek Leng Joo, Managing Director of CDL and Professor Heng Chye Kiang, Dean of School of Design and Environment, NUS to develop green solutions for the built environment.



Gala Dinner, held at The St. Regis Singapore, was attended by some 450 distinguished guests from both public and private sectors, and raised over S\$300,000, exceeding the target of S\$250,000. In the planning of the event, every effort was taken to ensure that carbon emissions would be kept at a minimum such as ensuring that the food and décor were locally sourced. It was also an opportune time to unveil "Heart Voyage 2", the second photo art book by our Managing Director, Mr Kwek Leng Joo. He donated 60 copies of his art book which helped raise an additional S\$30,000 for the Green cause.

In October, the sale of the limited edition "Heart Voyage 2", including specially autographed copies by President S R Nathan, also helped to raise some S\$150,000 for 31 beneficiaries of President's Challenge 2008. A total of 23 organisations donated to this worthy project.

We have also remained corporate sponsors of various environmental organisations here and abroad. CDL has been a corporate patron of the China Exploration and Research Society for over a decade, contributing



"Heart Voyage 2" features over 100 captivating images exploring the intricate relationship between Man and Nature.



Fourth from left to right: Professor Tommy Koh, Ambassador-At-Large, Ministry of Foreign Affairs, President S R Nathan, Mr Kwek Leng Loo and Mr Niam Chiang Meng, Permanent Secretary, Ministry of Community Development, Youth and Sports and Chairman of President's Challenge 2008 Steering Committee, together with generous donors of "Heart Voyage 2".

in-cash and in-kind support towards their nature and cultural conservation works. CDL is a corporate patron of SEC whose mission is to educate, inspire and assist individuals, corporations and environmental groups to care for and protect the environment. In 2008, CDL has also continued to sponsor NSS' "Nature Watch" magazine.

We participated in global campaigns like "Earth Hour" organised by the World Wildlife Fund held on 29 March 2008. In addition to turning off the façade building lights and the main lights in the common areas of five of CDL buildings from 8 pm to 9 pm as a gesture to combat global warming, we also encouraged our tenants to participate and turn their office lights off during the said hour. In 2009, we have doubled our efforts, extending the campaign to 11 buildings. We have been actively rallying our tenants to participate and are happy to report that 99% of our tenants have committed to joining the campaign with our encouragement. In an effort to promote the campaign, CDL also supported Environmental Challenge Organisation (Singapore)'s Earth Hour @ The Heartlands where the community participated by turning their lights off at home and headed down to a choice of five different venues all over Singapore to enjoy a variety of programmes.

In our 2009 calendar, "Melodies", we embraced the simple pleasures that little birds bring to us with melodic music that bring a smile on

our faces and brighten our everyday. The calendar is the 12th volume of our "Beauty of Nature" Corporate Calendar Series which is distributed to our business associates and employees to reinforce the message on the need to protect our natural heritage and preserve its beauty daily.



"Melodies", volume 12 of the "Beauty of Nature" Corporate Calendar Series, showcases the photographic works of Mr Kwek Leng Joo.

Supporting the Arts

The biennial Singapore Young Photographer Award (SYPA) is initiated and managed by CDL, in partnership with five major photo clubs, the National Arts Council and National Youth Achievement Award (NYAA) Council. Held for the 2nd time, the competition attracted some 850 entries from schools, youth organisations, photography clubs and freelance photographers, representing some 5,000 works of photography. Aimed at nurturing young local photography talents, there was also a CDL Young Architectural Photographer Award category, to recognise talents who have an eye for the beauty of buildings.



Third from right: Guest of Honour Dr Vivian Balakrishnan, Mr Kwek Leng Joo and Mr Edmund Cheng, Chairman of National Arts Council with winners of SYPA and the CDL Young Architectural Photographer Award at the prize presentation and exhibition launch.

Promoting greater appreciation of the arts in Singapore, CDL, along with our joint-venture partners also contributed the use of the South Beach site as one of the host venues for the second Singapore Biennale 2008 held between September and November. The site was also used as the venue of choice for the opening of the event.

Cultivating the Leaders of Tomorrow

Investing in youth development programmes remained a priority. In August 2008, over 30 employee volunteers from CDL and subsidiary company CBM Pte. Ltd. participated in HomeCreation, an annual community project by students from Raffles Institution, in collaboration with Dreams @ Kolam Ayer (below). This initiative was aimed to harness the energy of youths in community work and improve the living conditions of the needy. Some 60 low-income families in Geylang Bahru benefited from having their homes repainted and refurbished. Minor repair works such as fixing leaking pipes, chipped ceiling, faulty electrical sockets and other

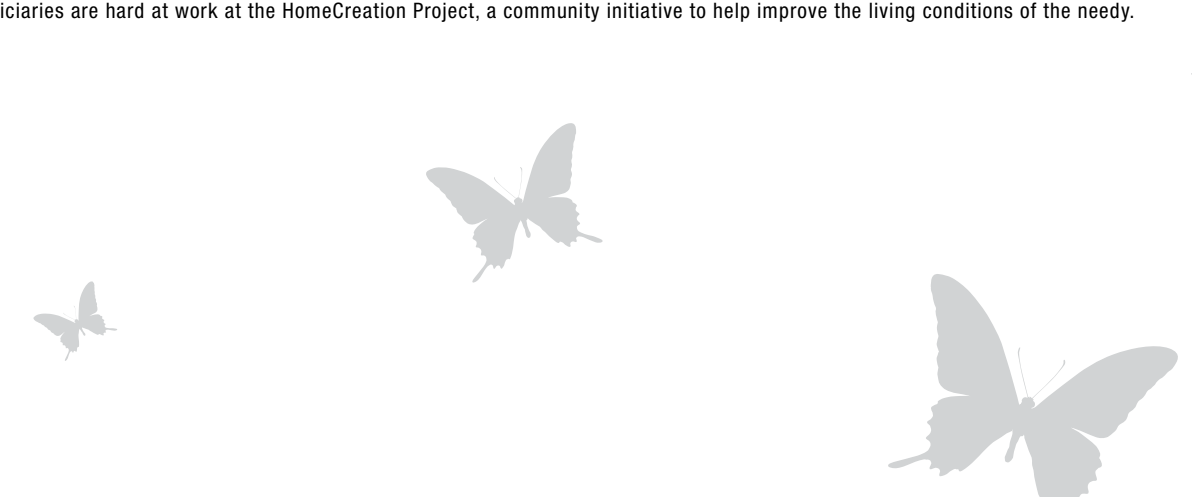
defects within the home were also carried out. This project is another fine example of CDL's belief in the efficacy of the 3P partnership model.

A long-time supporter of the NYAA, CDL has continued to contribute significantly to NYAA's initiatives such as the Photographers Network to bring out the best in young Singaporeans.

Our eco-community projects which involves the youth mentioned earlier in this report are synergistic with our passion towards youth development and harnessing a new eco-conscious generation.



CDL volunteers, students from Raffles Institution and beneficiaries are hard at work at the HomeCreation Project, a community initiative to help improve the living conditions of the needy.



IN FOCUS: SUPPORTING THE 3P MODEL THROUGH CASP



Catholic High School (Primary) showcased an innovative project on mosquito breeding which received a mention by Guest of Honour, Senior Parliamentary Secretary, Ministry of the Environment and Water Resources in her opening speech at the Schools' Carnival.

CDL has been a long-standing advocate of the Government's 3P model which calls for synergistic partnerships between the People, Private and Public Sectors. A fine example being CDL's participation in NEA's Corporate and School Partnership Programme (CASP), formerly known as the Adopt-a-School Scheme, since 2005 when we "adopted" our first school, Catholic High School (Primary). CASP aims to seek shared ownership by the schools and corporate partners on environmental management and sustainability by creating awareness and participation on environmental issues and activities amongst students through the partnership efforts.

To-date, CDL has "adopted" a total of six schools including Catholic High School (Primary and Secondary), CHIJ St. Nicholas Girls' School (Primary and Secondary) and the newest addition to the family, Maris Stella High School (Primary and Secondary) whom we adopted in 2008.

In fact in October 2008, Maris Stella High School, unveiled its pledge towards the environment, in partnership with CDL. As part of this

meaningful ceremony, Koi were released into the school pond to attest to the school's commitment to the green cause as well as to raise awareness amongst the students.

Each year for the CGS Schools' Carnival, CDL will begin to meet each school early in the year to discuss in detail and refine the environmental project ideas and work closely with them to develop the project till the exhibition in November. Depending on the needs of the project, CDL's support extends beyond the cost of the project to include contributions such as employee voluntarism, expert consultation and supplier support. The schools will also be provided with an exhibition booth to present the final chosen project to visitors of the exhibition.

At the CGS Schools' Carnival 2008, the CDL adopted schools conceived and presented a wide range of dynamic and exceptional environmental projects including developing green methods of oil removal (CHIJ St. Nicholas Girls' School), innovative strategies to prevent mosquito breeding (Catholic High School Primary) and exhibiting creative digital expressions on environmental conservation (Maris Stella High School).

The projects also caught the eye of the judges and Catholic High School was awarded second place for Best Project in the Primary Category while CHIJ St. Nicholas Girls' School (Secondary) was accorded third prize in the Open Category at the Environment Project Competition 2008.

As with previous years, the two-day exhibition was a success with participation from over 190 schools, an increase of over 10% from 2007, and attended by some 15,000 students, teachers and parents.

CASP remains an important outreach programme for CDL to reach out to the schools and the youth to harness a passion towards environmental conservation.

IN FOCUS: CITY SUNSHINE CLUB – A DECADE OF PUBLIC SERVICE

CSC'S MISSION

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

City Sunshine Club (CSC) is an employee volunteer club started in 1999. Initiated by CDL Managing Director Mr Kwek Leng Joo, CSC's aim is to nurture a spirit of voluntarism among the employees and cultivate an engaged workforce. Through CSC, the Company is able to facilitate and encourage staff and their families to lend a helping hand to the less fortunate through a broad range of structured programmes that reach out to the underserved. CSC has grown from strength to strength in the last decade, having established a broad range of community programmes that includes an elderly befriending programme and a development mentoring programme for children at risk as well as supporting other community activities through voluntarism throughout the calendar year.

In 1999, CSC started an elderly befriending programme. Every month, CSC volunteers would head down to Indus Road and the Chinatown area, where many elderly poor live in one-bedroom public housing flats. Volunteers spend time with the needy elderly, extending their friendship and care, and also bring along with them food provisions and other necessities. Volunteers are also vigilant during the visits to make sure the elderly are in good health and that their basic needs are taken care of. Beyond this, the volunteers frequently organise outings throughout the year and during the festive period. These include night outings to the opera, festive lunches and other fun activities to bring some cheer to many of them who are lonely. The programme has since expanded to the elderly living in Bukit Merah, Beo Crescent and Telok Blangah.

In 2003, CSC was involved in a youth programme which focuses on character development to help children at risk of delinquency remain in the education mainstream. In February 2007, CSC expanded the programme to include the youth at Kolam Ayer, of Viriya Community Services, a non-governmental organisation. CSC volunteers undergo special training to equip themselves with the skills to engage the youth during the weekly two-hour sessions, which include storytelling, role play, art and craft activities as well as tuition in schoolwork. Volunteers also organise camps and other enrichment activities for the youth during the school holidays.

By 2008, CSC volunteers are mobilised in a number of activities for the community, be it small group outings and befriending sessions with the terminally ill, or large-scale fundraising events for the needy. The Club also collaborates in community projects with like-minded partners such as the Boys Brigade (BB) and Raffles Institution for their annual BB Cares programme and HomeCreation projects respectively. These collaborations are particularly meaningful as they promote the spirit of voluntarism and kindness amongst Singapore's youth.



Dedicating their time and energy, CDL volunteers help to enrich the social and emotional development needs through character-building activities of the children from Dreams @ Kolam Ayer.

SUMMARY OF CDL PERFORMANCE DATA

SUMMARY OF CDL PERFORMANCE DATA	2007	2008
Social		
Annual employee turnover rate	16.8%	17.1%
Employee satisfaction	N.A.	≥ 90%
Days of medical leave taken	≤ 4	≤ 4
Gender Diversification: % of females as Heads of Department	55%	57%
Average years of service per employee	8.3	8.1
Total CSR and Environment-related training hours	1,193	1,075
New developments to be well-ranked on CONQUAS	Yes	Yes
All new developments to be certified BCA Green Mark Gold and above	Yes	Yes
Employee participation rate per year	50%	66%
Employee volunteer hours per year	2,242	2,644
Health and Safety:		
- At the Corporate Office: Injury rate and occupational disease	0	0
- At CDL work sites: Accident Frequency Rate at CDL Work Sites (Number of workplace accidents per million manhours worked)	0.4	0.52
Injury Rate at CDL Work Sites (Number of fatal and non-fatal workplace injuries per 100,000 persons employed)	Data Unavailable	273
Environment		
Energy Used at Work Sites kWh/m ²	55	43
Water Used at Work Sites m ³ /m ²	0.7	0.68
Construction Waste Generated at Work Sites kg/m ²	65.9	59.87
Energy Used at 11 CDL Commercial Buildings kWh/month/m ²	18.856	18.839
Energy Used at 5 CDL Industrial Buildings kWh/month/m ²	10.443	9.364
Water Used at 11 CDL Commercial Buildings m ³ /month/m ²	0.142	0.161
Water Used at 5 CDL Industrial Buildings m ³ /month/m ²	0.088	0.089
Paper Recycled at 16 CDL Buildings kg	417,074	384,047
Tenants Participation Rate for Paper Recycling at 16 CDL Buildings %	81	88
Energy Used at the Corporate Office kWh	634,198	569,640
Paper Used at the Corporate Office (Number of A4 reams)	5,410	4,796
Total Energy Used kWh	68,948,060	65,421,737
Total Carbon Emissions tonnes CO ₂	36,144	34,367

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INDEPENDENT ASSURANCE STATEMENT

To the Management and Stakeholders of City Developments Limited

Ère-S was commissioned in May 2009 by City Developments Limited [CDL] to provide assurance that the content of CDL Sustainability Report 2009 is accurate, reliable and supported by solid data collection systems.

The assurance engagement covers the Sustainability Report information related to CDL's strategy and operations in the context of sustainability. This includes sustainability-related figures, strategy statements, management systems and associated processes, policies and procedures. The assurance engagement was drawn on the ISAE 3000 and AA1000AS standards, which were used as guidance for the audit process, methodology, evaluation criteria and assurance report formatting.

Assurance Level

Ère-S provided an overall moderate level of audit, which includes evidence gathering from sources with simple data verification. For qualitative information, the assurance is based on evidence that the statements truly reflect CDL's operational and strategic activity.

The following criteria were used to evaluate quality of the report content; Accuracy which is defined as the level of correctness of information in regard to the source it is obtained from, Reliability which is defined as how the information is supported by reliable data collection systems and Integration (for qualitative information) which is defined as the level of support from the management and the evidence of implementation.

For substantial elements, a more detailed audit analysis based on the AA1000 AccountAbility Principles (materiality, inclusiveness and responsiveness) was used when possible but did not include in-depth and multi-level research, statistical analysis, stakeholder engagement analysis and company performance analysis.

Methodology

Preparation of the assurance engagement consisted of sorting report information and defining audit requirements. Around 160 statements and data sets were identified in the Sustainability Report and classified according to the relevant data owners and the type of evidence required for the audit process.

The audit phase included 12 Interviews to collect evidence of data and obtain an understanding of the underlying processes. Interviewees included key individuals from the departments of Environment, Health & Safety, Human Resource, Projects, Property & Facilities Management, Corporate Communication, Corporate Sec Services, Internal Audit, Customer Relationship Management, Administration and the Senior Management Team. A small number of employees, suppliers and external agencies were also interviewed.

Information and answers collected during the audit were assessed and recommendations were expressed immediately to allow amendment by the CSR reporting team.

Findings

Overall, a good quality level of data source and calculation methods was found. The accuracy of the majority of the elements audited could directly be validated through the provided proof of evidence and detailed descriptions of CSR-related processes, policies and management systems. Reliability was often enforced by the confirmation of the same evidence from multiple interviewees.

The audit uncovered a small number of minor inaccuracies that were due to incomplete calculation methods. These issues were promptly assessed and amended by the CSR reporting team. The rest of the recommendations expressed by Ère-S covered general improvement of the report, such as modification of wording and formatting or use of additional information found during the audit to reinforce the relevance, transparency and precision of current statements and figures. The CSR reporting team has taken note of the recommendations and amended the report accordingly.

Assurance Conclusion

In our opinion, the findings of the assurance engagement provide confidence, within satisfactory limits, that CDL Sustainability Report accurately represents the company sustainability profile and performance for the reporting period. We are confident that the statements and figures provided in the report are supported by comprehensive and verifiable data and that the underlying management processes audited are aligned with the sustainability strategy and policies of the company. We are also satisfied that the report is an appropriate representation of CDL's engagement to sustainability reflected in the top management of the company.

Moving forward, the following recommendations have been made:

- All KPIs, data collection procedures and calculation methods should be clearly defined and documented in a protocol to prevent the same minor inaccuracies found in this report and reinforce its coherence and comparability.
- A more detailed materiality based assessment should be undertaken to determine new and strengthen current areas of focus for the report content. This should also include processes for stronger stakeholder engagement.

The above findings and additional suggestions for improvement have been presented to the management of CDL in a more detailed assurance report.

Responsibility and Limitations:

Ère-S responsibility is to execute the assurance engagement, prepare the assurance report and this assurance statement for the management of CDL alone and for no other purpose. All information including statements and figures contained within the CSR report are the responsibility of CDL.

Ère-S engagement focussed on sustainability performance and activities of CDL during the reporting period. However, Ère-S did not confirm whether or not all material issues relating to stakeholders engagement or sustainability performance are included in the report and figures or statements not related to sustainability and already supported by existing documents, such as the annual report, were not covered in the audit. These include all or part of the organisation profile (GRI disclosures 2.1 to 2.10), corporate structure and corporate financial and economic performance, risk management, technical descriptions and figures of buildings, equipment and production processes. Finally, Ère-S did not assure the CSR report for GRI application level check.

Independence:

Ère-S has been engaged by CDL to review the elements of its Sustainability Report and was not responsible for any prior work on the report. The activity of Ère-S is independent to CDL and contains no other financial interest in the business operation of CDL.



Jean-Pierre Dalla Palma, Director
May 27, 2009

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

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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