



**CDL
FUTURE
VALUE
2030**

VALUE
CREATION

RISK
MANAGEMENT

SUSTAINED
GROWTH

PRODUCTIVITY

INNOVATION

RESOURCE
EFFICIENCY

INTEGRATED
SUSTAINABILITY
REPORT 2017

CITY
DEVELOPMENTS
LIMITED

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CDL FUTURE VALUE 2030

01

At City Developments Limited (CDL), we strive to build value for tomorrow, today.

Since 1995, we have built on our ethos of “Conserving as we Construct” to fulfil our role as a builder of living spaces, lives and communities. As CDL continues to pursue greater excellence, we are introducing “CDL Future Value 2030” as our blueprint for the future. In the ever changing business and natural environment, it serves as our blueprint for sustained growth and value creation for our business, stakeholders, community and the environment. With increased threats of climate change and rapid urbanisation, this plan will guide us to continue our best practices and future ready our business as we move towards 2030.

Over the years, we have built a strong track record as Singapore’s trusted property pioneer and one of the most sustainable companies in the world. As we future proof our organisation to meet tomorrow’s challenges, we remain committed to our Environmental, Social and Governance goals and policies to mitigate risks, enhance resource efficiency, drive productivity and innovation, and ultimately create enduring value.

With an integrated approach, we continue to harness our capitals to realise our sustainability-centric vision. We believe that a sustainable business is only possible with a healthy planet as well as a prosperous and inclusive society.

The strategy and actions under the “CDL Future Value 2030” will remain dynamic as the global business landscape evolves. New issues will require new solutions, and CDL will be ready to deliver.

CDL AT A GLANCE

\$3.9b

Group revenue
in 2016

Over
\$3.5b

**in funds under
management**
since 2014

Launched

1st

Green Bond
by a Singapore
Company which raised
\$100m



22
years

of sustainability
integration into business
strategy and operations

TOP

**Singapore Company and
Real Estate Management and
Development Company** on 2017
Global 100 Most Sustainable
Corporations ranking

Listed on
12

**leading sustainability
indices**

including FTSE4Good Index
Series, MSCI Global Sustainability
Indexes and Dow Jones
Sustainability Indices



More than
\$16m
in savings

as a result of the energy-efficient
retrofitting and initiatives
implemented for eight office
buildings from 2012 to 2016

87

**Green Mark
developments and
office interiors**

awarded by the Building and
Construction Authority

* Includes subsidiaries and
associated companies

100%

of office buildings owned and
managed by CDL are rated **Green
Mark Platinum** and **Gold^{PLUS}**



16%
reduction

**in carbon emissions
intensity** from 2007
levels in 2016

25%
reduction

**in energy use
intensity** from 2007
levels in 2016

15%
reduction

**in water use
intensity** from 2007
levels in 2016

ABOUT CDL

City Developments Limited (CDL) is a Singapore-listed international real estate operating company with a global presence spanning 97 locations in 26 countries. As one of Singapore's largest companies by market capitalisation, our income-stable and geographically-diversified portfolio comprises residences, offices, hotels, serviced apartments, integrated developments and shopping malls, totalling over 18 million square feet of floor area globally.

CDL has hotel assets in one of the world's largest hotel groups – our London-listed subsidiary, Millennium & Copthorne Hotels plc (M&C), has over 130 hotels globally, many in key gateway cities. Globally, CDL has developed over 40,000 homes and is one of Singapore's largest commercial landlords, with one of the biggest landbanks amongst Singapore private-sector developers.

Building on our track record of over 50 years in real estate development, investment and management, CDL has developed growth platforms in five key international markets – UK, US, China, Japan and Australia. The Company is also leveraging our stable of prime assets and growing our real estate funds management business. We currently have over \$3.5 billion in funds under management.

VISION, MISSION AND VALUES

Since the 1990s, sustainability has been integrated into CDL's corporate vision and mission to create business value and sustain the Company's growth. To complement the Company's business strategy in today's fast-evolving business environment, we introduced an enhanced set of corporate vision, mission, and values in 2016.

As we marked 20 years of sustainability in 2015, we also expanded our sustainability vision and mission to support our new corporate vision and mission.

Corporate Vision

Building Value for Tomorrow, Today

► Sustainability Vision

CDL Future Value 2.0: Creating Future Value

► Sustainability Mission

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

Corporate Mission

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

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

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

Corporate Values

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

CHAIRMAN STATEMENT



Dear Stakeholders,

2016 was a milestone year for sustainability with global developments like the landmark Paris Agreement and the United Nations (UN) Sustainable Development Goals (SDGs). Locally, Singapore set out the national vision for a sustainable future through the introduction of the Climate Action Plan, reinforcing the 2015 edition of the Sustainable Singapore Blueprint.

04

The emphasis on sustainability is also growing in global financial markets, with investors having more access to Environmental, Social and Governance (ESG) data. There has been progressively more evidence that investors are placing greater importance on such data, believing in a causal link between good ESG practices and the long-term success and economic value of a company, beyond just pursuing financial returns. Furthermore, research¹ has now shown that investors are actively incorporating such data into investment decisions, reinforcing the business case for sustainability. Businesses must adapt to the increasing importance of sustainability, capitalise on such opportunities and unlock the potential of integrating sustainability into their operations.

Creating long-term sustained value has always been the priority of the Board and Management of CDL. For over two decades, we have

been a firm advocate for sustainable development and I am heartened that our steadfast commitment has placed Singapore and CDL on the world map of sustainability.

Singapore is ranked the most sustainable city in Asia and second in the world after Zurich, according to the Sustainable Cities Index 2016 from global design and consulting firm Arcadis. This was a marked improvement from its 10th position in 2015, when this global index was first launched.

Testament to our commitment to sustainability, CDL is ranked the Top Singapore Company and Most Sustainable Corporation in Real Estate Management & Development on the eminent 2017 Global 100 Most Sustainable Corporations in the World ranking. In 2016, CDL was once again voted Asia's Top Property Developer and Top Singapore Company in the Channel NewsAsia Sustainability Ranking for three consecutive years. CDL also remains as the first Singapore corporation to be listed on four of the world's leading sustainability benchmarks – FTSE4Good Index Series (since 2002), MSCI ESG Indexes (since 2009), Global 100 Most Sustainable Corporations in the World (since 2010), and Dow Jones Sustainability Indices (since 2011).

With the rising demand for ESG data, there is a greater need for companies to communicate their sustainability

strategies, practices and performance. In response, we are launching our **CDL Future Value 2030** blueprint. Aligned with our corporate vision of "Building Value for Tomorrow, Today", this blueprint details how CDL's long-established sustainability strategy and best practices will continue to add value to our business, stakeholders, investors and the planet. Most importantly, it sets clear directions and ESG goals towards 2030, a milestone year for global climate goals and UN SDGs.

To reinforce the Board's role in advancing sustainability within CDL, the Board-level Corporate Social Responsibility and Corporate Governance Committee has been renamed the "Board Sustainability Committee" as of November 2016.

Amid the fast-changing business landscape, the Board is fully committed to supporting the Management in maintaining CDL's leadership and dedication to governance and sustainability best practices for continued long-term business growth and achieving greater value for stakeholders.

Kwek Leng Beng
Executive Chairman

1 G. Unruh, D. Kiron, N. Kruschwitz, M. Reeves, H. Rubel, and A.M. zum Felde, "Investing For a Sustainable Future," MIT Sloan Management Review, May 2016.

CEO STATEMENT



Building on our sustainability vision to 'Create Future Value', we have strategically established a new blueprint – CDL Future Value 2030.

Dear Stakeholders,

2016 began with unprecedented momentum in global sustainable development. The landmark Paris Agreement was ratified by over 120 nations by the end of 2016. The United Nations (UN) Sustainable Development Goals (SDGs) also came into effect from January 2016, with global calls for governments, the private sector and civil society to take collective action towards these common goals.

2016 was the hottest year since modern record keeping began in 1880¹. Widespread flooding in the United States, Europe and Asia, resulted in over US\$30 billion in economic losses². This highlighted the need for immediate actions to mitigate climate change, which has in turn generated significant local and international regulatory activity.

Specifically, governments and the international investment community are increasingly holding corporations accountable for their carbon emissions. 2016 saw the growth of carbon pricing, particularly in Asia. In Singapore, the government announced in its Budget 2017 that a carbon tax targeting large direct emitters of Greenhouse Gases (GHG) will be implemented in 2019.

Businesses can no longer ignore the impact of climate change risks on their bottom line. The G20 Financial Stability Board (FSB)'s Task Force, led by Michael R. Bloomberg, released the Climate-related Financial Disclosure recommendations in December 2016. This echoed regulatory developments in Singapore, where the Singapore Exchange (SGX) launched the Sustainability Reporting Guide in June 2016, requiring listed companies to disclose Environmental, Social and Governance (ESG) performance on a 'comply or explain' basis from financial year 2017.

To attract socially responsible investors, SGX also joined the UN Sustainable Stock Exchanges initiative and launched the inaugural SGX Sustainability Indices, of which CDL was listed on its flagship Sustainability Leadership Index. The community of responsible investors is fast-expanding as evident in the US\$60 trillion assets under management represented by over 1,500 signatories of the UN Principles for Responsible Investment (PRI), and the rapidly growing green bond market which saw a 92% increase in 2016³ and is expected to continue growing.

These developments present opportunities for CDL to attract like-minded investors and raise capital for future green building initiatives to enhance our value creation for shareholders and stakeholders.

1 According to independent analyses by National Aeronautics and Space Administration and the National Oceanic and Atmospheric Administration
2 Estimates from the Swiss Re Group using Sigma data
3 Climate Bond Initiative Green Bond Highlights 2016

CEO STATEMENT

Introducing CDL Future Value 2030

As ESG integration becomes essential to a company's long-term success and economic value, CDL has continued to enhance our sustainability strategy to future-proof our business.

Building on our sustainability vision to 'Create Future Value', we have strategically established a new blueprint – **CDL Future Value 2030**. It encapsulates our long-standing sustainability commitment and best practices of over 20 years, and sets out clear directions and targets to guide us towards 2030.

2030 will be a milestone year with world population expected to hit 8.5 billion, posing new challenges and opportunities for global sustainable development. It is also the target year for major global commitments including the Paris Agreement and UN SDGs. Specifically for the built industry, 2030 is the target year for the Net Zero Agenda by the World Green Building Council and for Singapore to green 80% of its buildings based on the Green Building Masterplan.

With this in mind, **CDL Future Value 2030** contains well-defined goals and targets to address ESG issues that are material to our business, while contributing towards a sustainable future. The blueprint is fundamental to our integrated sustainability strategy which will continue to harness our six capitals – financial, organisational, natural, manufactured, human as well as social and relationship – to create tangible value for our business, stakeholders, community and the environment.

Financial Capital – Building Future Value

Despite a challenging macro-environment, CDL remained resilient in 2016, posting a creditable profit of S\$653.2 million and record revenue of S\$3.9 billion. This was driven by strong residential sales in Singapore and China, and divestments including the sale and recapitalisation of Summervale Properties Pte. Ltd. that resulted in the establishment of our third Profit Participation Securities (PPS) platform.

Through PPS 3, we are on track to achieve our target of S\$5 billion in funds under management (FUM). We successfully unlocked the value of our Nouvel 18 project for S\$977.6 million and attracted a new pool of untapped high net worth investors in Singapore. The funds raised will allow CDL to further recycle capital for growth plans.

Our Green Mark properties certified by the Building and Construction Authority (BCA) were the subject of the three successful PPS platforms which achieved over S\$3.5 billion in FUM. As we continue to expand geographically, our track record in eco-developments and corporate citizenship will help us to attract like-minded partners and investors, and gain foothold in markets where our sustainability leadership and reputation provide a competitive edge.

Organisational Capital – Building a Resilient Organisation

Investors are holding boards increasingly accountable for governance standards and demanding greater transparency.

CDL is committed to upholding the highest standards of corporate governance. As a testament of our continued pursuit for governance excellence, our ranking on the Singapore Governance and Transparency Index rose from 24th in 2015 to 10th in 2016. CDL was also accorded the prestigious "Most Transparent Company Award 2016" in the Real Estate category at the Securities Investors Association (Singapore) (SIAS) Investors' Choice Awards 2016, for our outstanding efforts in corporate disclosure and transparency standards.

In view of the heightened threats from global terrorism, cyber-attacks, and geopolitical and macroeconomic shifts, we enhanced our Enterprise Risk Management (ERM) framework to assess strategic risks and emerging threats beyond our immediate horizon, and proactively identify control measures to mitigate them.

In 2016, we also strengthened our crisis management and communication protocols in the event of terrorism. Members of our Senior Management team were trained on crisis management and emergency response through a simulation exercise to enhance preparedness.

On top of our comprehensive corporate policies and business code of conduct, we formalised a new policy on Anti-Money Laundering and Counter Financing Terrorism in 2016, and trained our employees to detect such criminal acts. This is in line with our belief in staying vigilant and supports the Monetary Authority of Singapore in safeguarding the nation from illicit money laundering by global criminal and terrorist organisations.

Moving forward, we will raise, by 2030, our carbon emissions intensity reduction target to 38%, from the previously pledged 25% (versus 2007 levels), by using the Sectoral Decarbonisation Approach.

Natural Capital – Building a Sustainable Environment

With increased pressure on corporations to be accountable for their environmental footprint and rising costs of natural resources, maintaining a healthy natural capital is of utmost importance to sustain our growth.

For more than two decades, we have upheld our unwavering commitment to environmental management and resource efficiency. As the first private-sector property developer in Singapore to achieve the ISO 14001 Environmental Management System and ISO 50001 Energy Management System certifications in 2003 and 2014 respectively, we have continued our efforts to overcome inherent environmental challenges typically associated with property-related companies.

As early as 2011, we established carbon emission intensity reduction targets, and in 2015 we added a Climate Change Policy to our environmental and energy management systems. In 2016, CDL was the first property developer in Singapore to achieve the ISO 14064-1 verification for our GHG emissions disclosures.

Moving forward, we will raise, by 2030, our carbon emissions intensity reduction target to 38%, from the previously pledged 25% (versus 2007 levels), by using the Sectoral Decarbonisation Approach. In line with CDL's commitment towards a low-carbon economy, our new target is above Singapore's pledge of 36% from 2005 levels, from the Paris Agreement.

Additionally, we set a target for 35% of our building materials to be derived from recycled content, low-carbon sources, or certified by recognised environmental organisations. Our upcoming Singapore Sustainability Academy, for instance, is the first in Singapore to be built with Cross Laminated Timber and Glued Laminated Timber verified to be from sustainable sources.

To better understand the impact our developments have on the environment and to preserve Singapore's biodiversity, CDL has voluntarily conducted Biodiversity Impact Assessments on new development sites since 2010. Furthermore, we took the initiative to conduct a more comprehensive study, similar in scope with the Environmental Impact Assessment, for our latest Forest Woods condominium. This led to the discovery of several rare species of plants that were transplanted to safe areas.

Manufactured Capital – Building Green Infrastructure

Our firm commitment to quality and green spaces has differentiated our brand by strengthening our product and manufactured capital. This has created enhanced value for our business, customers and investors, and supported the economic development and well-being of the communities in which we operate.

Over the years, CDL's green building efforts have also directly contributed to our bottom line. From 2012 to 2016, we achieved savings of more than S\$16 million as a result of both energy-efficient retrofitting and other initiatives implemented for eight CDL-managed office buildings.

As a testament of our commitment to achieve at a minimum the BCA Green Mark Gold^{PLUS} certification for all new developments – two tiers beyond the mandatory Green Mark certification level – 100% of office buildings owned and managed by CDL are rated Green Mark Gold^{PLUS} and Platinum (the highest tier certification).

Beyond building infrastructure, we engage and empower our commercial tenants to adopt low-carbon practices, encouraging them to play a bigger role in the green building movement. At the end of 2016, more than 95% of existing tenants have pledged their commitment to the CDL Green Lease Partnership Programme by signing a Green Lease Memorandum of Understanding. In addition, more than 25% of the tenanted spaces in our commercial properties have been certified under the BCA Green Mark Scheme, including office interiors and retail outlets. Due to the commitment and efforts of our tenants and Green Lease ambassadors, CDL remains the only developer to have received the top-tier BCA Green Mark Pearl Prestige award for two consecutive years.

Recognising that innovations and collaborations are key to our business success in the low-carbon economy, CDL invested S\$2.25 million to establish a research and development partnership with the National University of Singapore (NUS) School of Design and Environment. Through the NUS-CDL Smart Green Home and

CEO STATEMENT

NUS-CDL Tropical Technologies Laboratory (T² Lab), CDL will continue to champion leading-edge innovations which can be test-bedded in our future developments to meet the lifestyle needs and climate challenges of tomorrow.

Human Capital – Building our People

People are our greatest asset and their performance, safety and well-being are vital to CDL's continued performance. We are committed to providing an inclusive, safe and healthy environment for our employees, as well as the workers at our construction sites and managed commercial properties, even where they are not under our direct hire.

In 2016, CDL took the lead in galvanising 24 of our key builders and consultants to sign a "Pledge Towards Zero Vision through Safe Design – Safe Practices – Safe Culture" at the 12th annual CDL 5-Star Environmental, Health and Safety (EHS) Awards. It marked the first time a developer in Singapore has rallied collective action along its supply chain to support the Construction Industry Workplace Safety and Health (WSH) Action Plans.

As a result of our health and safety initiatives and proactive engagement with our employees, contractors and their workers, we maintained zero fatalities and occupational diseases across CDL's corporate office, construction sites and managed commercial properties in 2016.

Respecting and protecting human rights is vital for ensuring safe and fair working conditions for our employees and workers. In 2016, we enhanced our Human Rights Policy to address growing concerns and issues in this area. We also strive to ensure fair employment and

labour practices, diversity and equal opportunity. To develop and nurture talent, we provide our employees with training opportunities and scholarships to upgrade their skills or further their education.

For the year under review, we carried out a company-wide strategic road mapping to introduce a Balanced Scorecard management system during 2017. The new system will measure and align cross-functional and individual employee performance to support our organisational and business objectives.

Social and Relationship Capital – Building our Communities

Our continuous engagement efforts have enhanced our relationships with stakeholders and helped to create wider economic value for the community and the environment. Considerable resources have also been invested in building strategic Public, Private and People (3P) sectors collaborations. In the long term, this strengthens CDL's social licence to operate and our ability to create value.

Following the success of the inaugural EcoBank initiative in 2016, we partnered Eco-Business for a second time in January 2017. Themed "Be a Zero Waste Hero", the initiative promotes responsible consumption and waste disposal, in support of the Sustainable Singapore Blueprint.

A three-week collection drive of pre-loved items at seven CDL-managed buildings received about 10,800kg of items, a 76% increase from 2016. This equates to 2,646 metric tonnes of carbon equivalent reduction to Singapore's landfill. The initiative capped off with a charity bazaar which raised over S\$35,000 for the Children's Charities Association of Singapore.

CDL also focusses on grooming youths to be environmentally conscious, as they form the next generation of homebuyers, employees and leaders. Given our leadership in green buildings and sustainability integration, we will have a competitive edge with the rise of green consumerism.

CDL also focusses on grooming youths to be environmentally conscious, as they form the next generation of homebuyers, employees and leaders. Given our leadership in green buildings and sustainability integration, we believe that this will ultimately provide CDL a competitive edge with the rise of green consumerism. Through flagship youth programmes such as the CDL-Compact Singapore Young CSR Leaders Award, CDL E-Generation Challenge and My Tree House, as well as partnerships with education institutions, we reached out to and empowered over 120,000 youths and children during 2016.

Recognising that a healthy workplace can have a positive impact on the happiness and productivity of our tenants and occupants, CDL collaborated with the Health Promotion Board for the Workplace Well-being Partnership. Under this programme, we organised a series of weekly health-related activities in 2016, to promote a healthy work

environment and active living among our office tenants.

Beyond customers and the community, we actively engage with existing shareholders and potential investors to communicate our business case for ESG integration. We seek to position CDL as the top investment choice among the responsible investment community by sharing our sustainability leadership at high-level investor conferences such as the CEO Roundtable at the UN PRI in Person Conference 2016 held in Singapore.

The Journey Ahead

Under our new **CDL Future Value 2030** blueprint, we will actively track and review our sustainability performance against the ESG goals and targets established to support CDL's growth while complementing the UN SDGs.

To address investors' increasing expectation of ESG disclosure and performance, we have raised the bar for sustainability reporting by becoming the first private developer in Singapore to adopt the new Global Reporting Initiative (GRI) Standards of Sustainability Reporting for our Integrated Sustainability Report 2017.

In addition, we have established a dedicated sustainability website (www.cdlsustainability.com) to provide more regular and dynamic ESG reporting to shareholders, investors and partners, on top of the annual sustainability report.

In tandem with the blueprint, to remain competitive in today's ever-evolving business and regulatory landscape and to future-proof our business, we will embark on scenario planning to identify risks and opportunities that emerging trends, such as carbon tax and circular economy, may present to

our supply chain management. In light of the recently announced carbon tax in Singapore, we are also reviewing internal carbon pricing scenarios to prepare for the impending business impact.

Additionally, we continue to seek new revenue streams and financing through product innovation and business diversification.

Riding on the fast-growing demand for sustainable investment products and the Singapore government's move to develop a green bond market, we recently launched our inaugural green bond – a first by a Singapore company. The two-year senior secured bond raised S\$100 million at 1.98% fixed rate. Our maiden venture into green bond links CDL's ESG initiatives with the capital markets and enable us to tap on like-minded investors, providing an alternative financing stream to advance our green building efforts.

We have made strategic investments to capitalise on industry disrupting opportunities such as the burgeoning sharing economy to stay ahead of the curve.

Following our investment in mamahome, one of China's fastest growing online apartment rental platform with more than 150,000 apartment listings in over 20 Chinese cities in September 2016, we further announced our investment in China's leading co-working space operator Distrii in January 2017. Distrii plans to expand in global gateway cities and will create one of the largest co-working facilities in Singapore. The co-working space, spanning over 60,000 square feet at CDL's flagship Republic Plaza in the heart of the city's Central Business District, is scheduled to open in 2018.

Collaborative partnerships will continue to be the key driver for our sustainable development efforts. In partnership with the Sustainable Energy Association of Singapore, we will open the landmark Singapore Sustainability Academy in June 2017. With the objective of promoting a low-carbon economy, resource efficiency and sustainable practices amongst businesses, youths and the community, the zero-energy academy will advance CDL's advocacy and stakeholder engagement for sustainable development.

The partnerships, product innovations and enhanced ESG integration will supplement CDL's resilient foundation laid more than 50 years ago. By combining the old and the new, we hope to create synergistic value to ensure financial success for our business, and a sustainable future for us all.

Grant Kelley
Chief Executive Officer



INTEGRATED STRATEGY FOR VALUE CREATION

INTEGRATED STRATEGY FOR VALUE CREATION

LEADERSHIP COMMITMENT TO SUSTAINABILITY

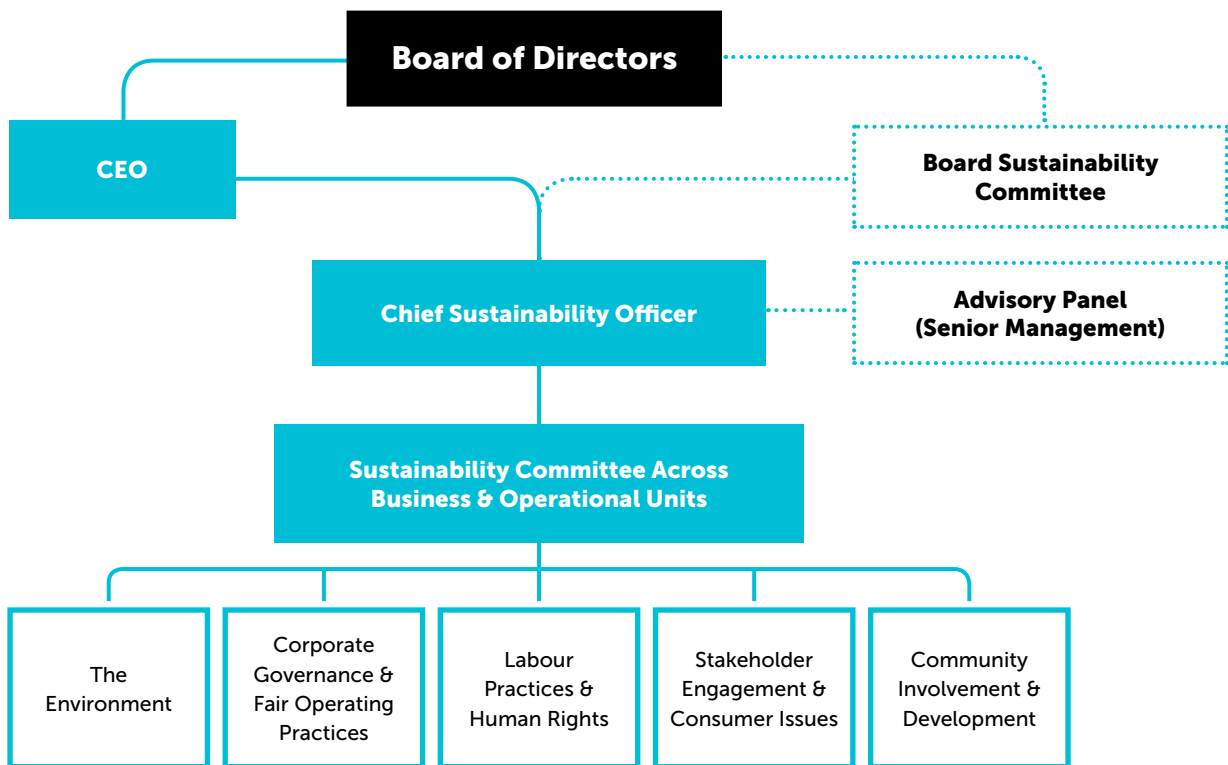
Since 2008, a company-wide Sustainability Committee was set up to drive sustainability across all corporate and operational units of CDL. Led by the Chief Sustainability Officer with guidance from the Senior Management, the Committee initiates, drives, and monitors various aspects of our sustainability

practices, ensuring effective integration of environmental, social and governance (ESG) initiatives into our business operations and corporate objectives.

Above this Committee sits a Board Sustainability Committee that assumes an advisory role for CDL's sustainability strategy. This Board-level Committee meets at least once a year to review CDL's ESG performance and initiatives.

Initially called the CSR and Corporate Governance Committee, the Board Sustainability Committee was renamed in November 2016, to better reflect the Board's role in advancing sustainability within the organisation.

Sustainability Committee Structure as at November 2016



Aligned with ISO 26000: Guidance on social responsibility

INTEGRATED STRATEGY FOR VALUE CREATION

CDL'S VALUE CREATION MODEL

In 2015, CDL marked our 20-year sustainability journey by enhancing our strategy to "Create Future Value". Founded on the ethos of "Conserving as we Construct", CDL has been committed to future-proofing our business through a three-pronged strategy as a developer, an asset owner and a corporate citizen. Through comprehensive policies and practices, CDL's unique ESG integration model has created long lasting value for our brand, business operations, stakeholders, customers, investors and the community.

Introducing CDL Future Value 2030

In line with our corporate vision of "Building Value for Tomorrow, Today", we have launched a new sustainability blueprint – **CDL Future Value 2030**.

It encapsulates our long-standing sustainability commitment and best practices, and sets clear directions to guide us towards 2030.

2030 will be a milestone year with world population expected to hit 8.5 billion, posing new challenges and opportunities for global sustainable development. It is also the target year for major global commitments including the Paris Agreement and the United Nations (UN) Sustainable Development Goals (SDGs) which came into force in January 2016. Specifically for the building industry, 2030 is the focal point for the Net Zero Agenda by the World Green Building Council and for Singapore to green 80% of its buildings based on the Green Building Masterplan.

With this in mind, we strategically established long term ESG goals and targets under our new blueprint. Delivering on three strategic goals, a set of targets is clearly defined

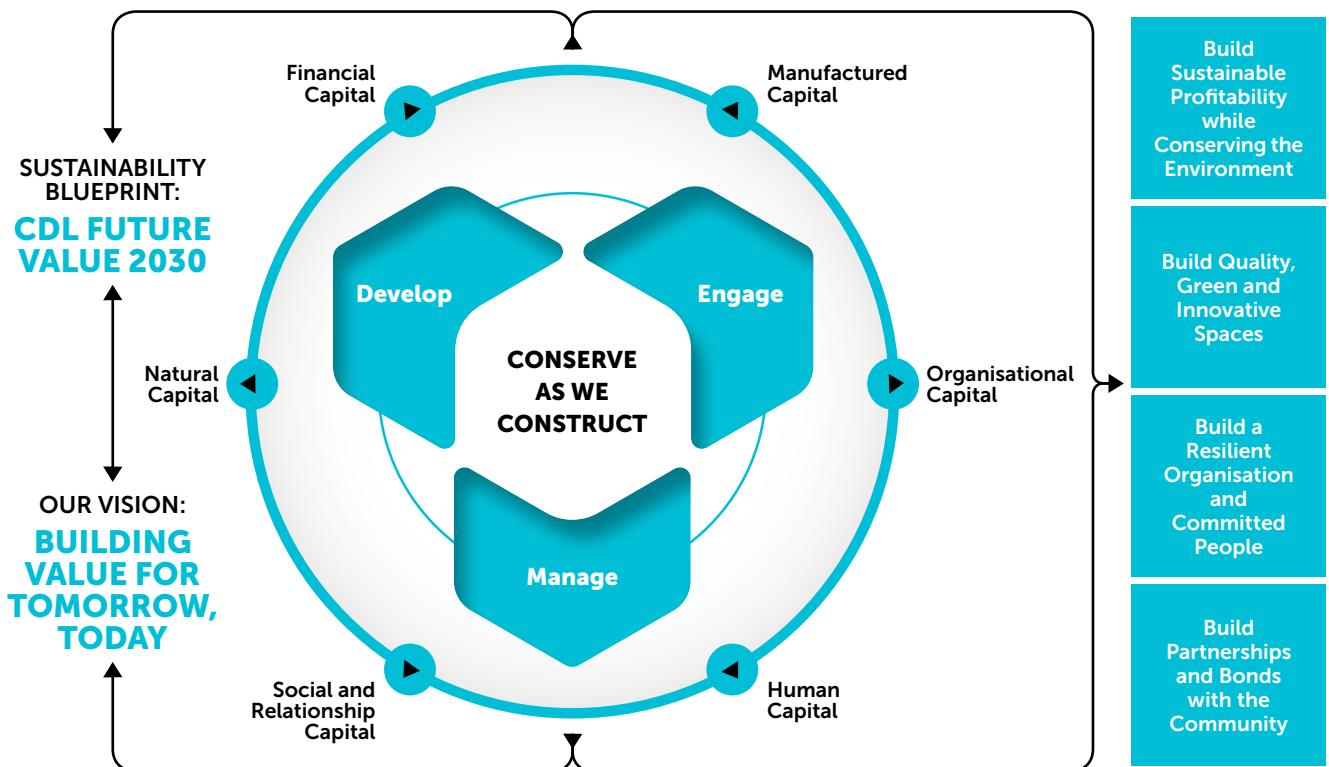
to address ESG issues which are material to CDL's business and stakeholders, while contributing towards a sustainable future.

The blueprint is fundamental to our integrated sustainability strategy which will continue to harness our six capitals – financial, organisational, natural, manufactured, human as well as social and relationship – to build enhanced value for our business, stakeholders, community and the environment.







Aligning with UN SDGs

In February 2016, CDL took the initiative to be amongst the first companies in Singapore to align our material ESG issues with the SDGs. With the introduction of the new blueprint, we have taken further steps to map our **CDL Future Value 2030** goals and targets with nine relevant SDGs as outlined on page 15.

CDL's Value Creation Model



Creating Tangible Value Through ESG Integration

| Our Key Drivers | The Value We Create |
|---|--|
| <p>Sustained Growth</p>  | <p>Several of our Green Mark certified properties, awarded by the Building and Construction Authority (BCA), were the subject of three successful Profit Participation Securities (PPS) investment platforms, which have raised a total of \$3.5 billion in funds under management since 2014.</p> <p>On 6 April 2017, we launched our inaugural green bond – the first by a Singapore company, which raised S\$100 million at 1.98% fixed rate due in 2 years.</p> |
| <p>Resource Efficiency</p>  | <p>We achieved more than \$16 million in savings as a result of the energy-efficient retrofitting and initiatives implemented for eight office buildings from 2012 to 2016, directly benefiting CDL's financial bottom line.</p> |
| <p>Value Creation</p>  | <p>As of end 2016, over 95% of our existing tenants have pledged their commitment to the CDL Green Lease Partnership Programme by signing a Green Lease Memorandum of Understanding.</p> <p>Tenant satisfaction rate remained high at 94% for offices, 96% for retail and 100% for industrial buildings in 2016.</p> |
| <p>Productivity</p>  | <p>Our investment in sustainable and productive building methods such as the advanced Prefabricated Prefinished Volumetric Construction (PPVC) technology adopted for The Brownstone Executive Condominium, is expected to raise productivity by over 40%.</p> |
| <p>Innovation</p>  | <p>CDL has more than 20 years of track record in green building innovations, launching Asia Pacific's first CarbonNeutral® development, 11 Tampines Concourse in 2009; Singapore's first eco-mall, City Square Mall in 2009; and was the first developer in Asia to adopt PPVC in 2014.</p> <p>In 2016, we invested \$2.25 million in a partnership with the National University of Singapore for two new research laboratories to catalyse innovation in smart and green building technologies which can be test-bedded in our future developments.</p> |
| <p>Risk Management</p>  | <p>Since 2001, we have been implementing the CDL 5-Star Environmental, Health and Safety (EHS) Assessment System on 100% of our builders to assess their EHS performance and safeguard against associated risks.</p> <p>To future-proof our business, we are embarking on a scenario planning exercise in 2017, to identify and mitigate emerging trends including carbon tax and circular economy, which can impact CDL's supply chain.</p> |

INTEGRATED STRATEGY FOR VALUE CREATION

| CDL's Capital | Performance Highlights in 2016 |
|--|---|
| Manufactured Capital | <ul style="list-style-type: none"> • 87 Green Mark certified developments and office interiors • More than 70% of CDL's portfolio of Green Mark certified developments and properties are rated Green Mark Gold^{PLUS} and Platinum – beyond the mandatory Green Mark certification level |
| Social and Relationship Capital | <ul style="list-style-type: none"> • Over 95% of our existing tenants have signed on to the CDL Green Lease Partnership Programme • Invested \$2.25 million in an R&D collaboration with National University of Singapore (NUS) to catalyse innovations in climate-resilient and smart building technologies through NUS-CDL Smart Green Home and Tropical Technologies Laboratory (T² Lab) • Announced the launch of the Singapore Sustainability Academy – a hub for capacity building, advocacy and stakeholder engagement for sustainable development, in partnership with the Sustainable Energy Association of Singapore |
| Natural Capital | <ul style="list-style-type: none"> • Reduced carbon emissions intensity by 16% from 2007 levels • First property developer in Singapore to achieve ISO 14064 assurance for Greenhouse Gases (GHG) emissions disclosure • Reduced energy use intensity by 25% from 2007 levels • Reduced water use intensity by 15% from 2007 levels • Established 2016 baseline for new waste disposal target <ul style="list-style-type: none"> – 13,523 tonnes of construction waste – 4,283 tonnes of general, non-hazardous waste from commercial buildings • Almost 100% of consultants and main builders of CDL developments have obtained both ISO14001 and OHSAS18001 certifications • At least 80% of the Singapore Sustainability Academy was built with Cross Laminated Timber and Glued Laminated Timber, which are harvested from sustainably managed forests and verified by the Nature's Barcode™ system |
| Organisational Capital | <ul style="list-style-type: none"> • Zero corruption and fraud incidents across CDL's core operations in Singapore |
| Human Capital | <ul style="list-style-type: none"> • Zero fatality across CDL's operations and direct suppliers in Singapore • Zero occupational diseases across CDL's operations and direct suppliers in Singapore • Accident Frequency Rate (AFR)* of 5.7 at corporate office • AFR of 0.53 at construction sites • Zero AFR at managed properties |

* Number of workplace accidents per million manhours worked

CDL Future Value 2030: ESG Goals and Targets (Effective from 2017)

Supporting Nine Relevant SDGs

Goal 1: Building Sustainable Cities and Communities

- To achieve Green Mark certification for 80% of CDL owned and/or managed buildings
- To maintain 100% tenant participation in CDL Green Lease Partnership Programme



SDG 11: Sustainable Cities and Communities

- To double our commitment to adopt innovations and technology for green buildings



SDG 9: Resilient and Innovative Infrastructure

- To double resources devoted to advocacy of sustainability practices, stakeholder engagement and capacity building



SDG 17: Partnership for Sustainable Development

Goal 2: Reducing Environmental Impact

- To achieve the science-based target of reducing carbon emissions* intensity by 38% from 2007 levels



SDG 13: Urgent Action to Combat Climate Change

- To reduce the usage intensity of energy and water by 25% from 2007 levels



SDG 7: Affordable and Clean Energy

- To reduce total waste disposed by 50% from 2016 levels



SDG 12: Responsible Consumption and Production

- To ensure 100% of appointed suppliers are certified by recognised environmental standards

- To ensure that 50% of our construction materials are derived from recycled content, low-carbon sources or certified by recognised environmental organisations



SDG 15: Biodiversity and Resource Conservation

Goal 3: Ensuring Fair, Safe and Inclusive Workplace

- To maintain Zero corruption and fraud incidents across CDL's core operations



SDG 16: Peace, Justice and Strong Institutions

- To maintain Zero fatality across CDL's operations and direct suppliers in Singapore

- To maintain Zero occupational diseases across CDL's operations and direct suppliers in Singapore



SDG 8: Decent Work and Economic Growth

- To maintain Zero AFR at CDL corporate office
- To maintain AFR of one or less for direct suppliers at construction sites and managed properties

* CDL's carbon emissions take into consideration all GHG emissions

INTEGRATED STRATEGY FOR VALUE CREATION

OUR APPROACH TO MATERIALITY

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

Since 2008 when we published CDL's first Global Reporting

Initiative (GRI)-checked Social and Environment Report, we have focused our sustainability efforts around material ESG issues by aligning our business perspectives with that of our stakeholders'. Our materiality also takes into account the value chain where CDL has considerable influence, but not direct control.

To keep abreast of critical issues, we periodically review our material issues against the changing business landscape, emerging

global and domestic trends, regulatory development, as well as stakeholder opinions.

CDL's Stakeholders

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

| Stakeholder Groups | Impact and Significance |
|-------------------------------|--|
| Our Employees | Our employees are part of our human capital and their health and safety, competencies and welfare are fundamental to CDL's operational effectiveness. We aim to develop their potential to drive innovation, productivity and organisational excellence. |
| Our Customers | Our aim is to create inspiring spaces and deliver quality homes in line with the rising expectations and lifestyle aspirations of tenants and homebuyers. CDL seeks to deliver sustainable solutions and exceptional service levels to benefit our customers. |
| Our Builders and Suppliers | CDL works closely with partners in our value chain to ensure that construction activities are carried out in line with industry safety standards and sustainable building methods. |
| Our Investors | We strive to maximise shareholder returns, maintain good corporate governance, and improve levels of transparency through financial and sustainability reporting and timely communication. |
| The Government and Regulators | Beyond compliance, we partner with key government agencies to jointly elevate industry standards for green building, sustainability practices, as well as health and safety standards. |
| The Media | As news and information outlets are one of the main sources of information for our stakeholders and the public, we aim to engage the media in promoting sustainability and the green building agenda to drive green consumerism. |
| Our Community | Our developments shape public spaces and impact the interaction between people and their broader environment. CDL seeks to create green spaces that promote social integration, and invests in projects that support environmental conservation and community development. |

Stakeholder-Driven Materiality

In February 2016, we conducted a materiality review to validate and update CDL's material ESG issues, which were originally identified through a rigorous materiality assessment completed in November 2014. Through an online survey administered by an independent consultant, seven stakeholder groups were asked to rank a list of 22 ESG issues, and provide feedback on any additional issues which they deemed as important to our business.

The high response rate of 75% reflected the willingness of our stakeholders to engage with CDL on sustainability matters, and underscores the relevance of these issues to our long-term business success.

In addition, we took the initiative to assess our material ESG issues against the UN's 2030 Agenda for Sustainable Development by aligning them with nine relevant SDGs.

Defining and Prioritising Our Material Issues

Following the methodology of AA1000's materiality process, the list of 22 ESG issues were mapped onto a matrix reflecting the importance to external (x-axis) and internal (y-axis) stakeholders. We further identified the top 10 most critical ESG issues based on the 10 highest aggregated score given by our internal and external stakeholders.

The process has helped us focus our sustainability strategy and reporting scope on the most material issues

that are of the highest concern to our business and stakeholders.

In view of emerging regulatory developments and global trends, such as the impending rise of Singapore's water prices and the growing momentum towards a circular economy, we have also included water conservation, effluent and waste management, as well as responsible material use as issues of increasing importance.

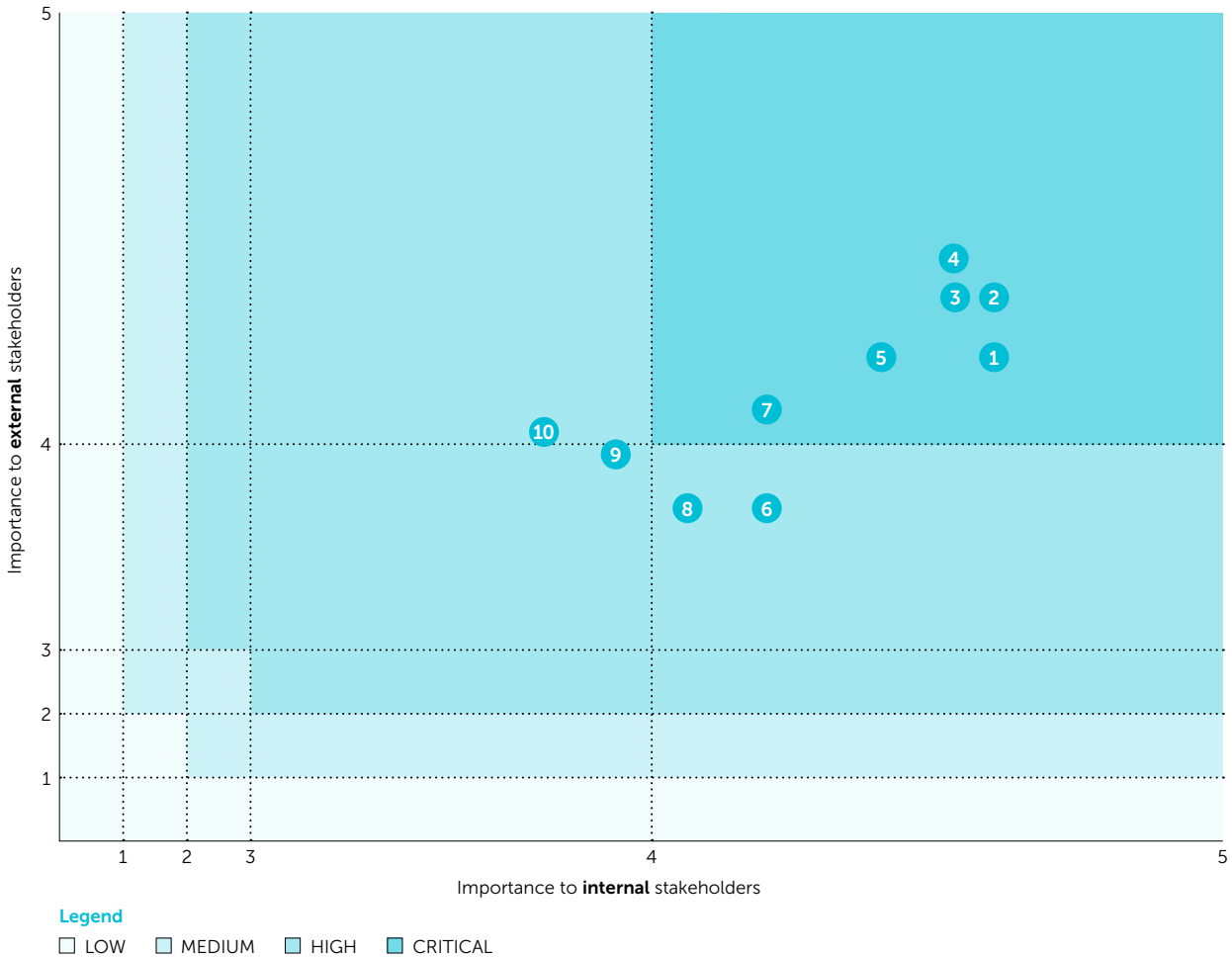
In tandem with our new **CDL Future Value 2030** sustainability blueprint which contains clear ESG goals and targets, the top 10 material ESG issues have been reviewed and endorsed by our Board of Directors in February 2017.

▶ Materiality Review Process













INTEGRATED STRATEGY FOR VALUE CREATION

CDL Materiality Matrix



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| Top 10 Material Issues | |
|------------------------|--|
| 1 | Legal Compliance  |
| 2 | Anti-corruption and Anti-fraud  |
| 3 | Product Quality and Responsibility  |
| 4 | Employee Health and Safety  |
| 5 | Customer/Public Health and Safety  |
| 6 | Economic Contribution to Society  |
| 7 | Supplier Health and Safety  |
| 8 | Customer and Tenant Engagement  |
| 9 | Energy Efficiency  |
| 10 | Environmental Impact Assessment and Mitigation  |

| Top 10 Material Issues | Impact and Boundaries | Topics under GRI Standards | Addressed in this Report |
|---|---|---|---|
| 1 Legal Compliance | All stakeholders across our value chain | <ul style="list-style-type: none"> Anti-competitive behavior Socioeconomic compliance Environmental compliance Customer privacy | All |
| 2 Anti-corruption and Anti-fraud | All stakeholders across our value chain | <ul style="list-style-type: none"> Anti-corruption | Organisational Capital |
| 3 Product Quality and Responsibility | Customers, builders and suppliers, government and regulators, investors, community, and media | <ul style="list-style-type: none"> Marketing and labelling Sustainability certification, rating and labelling | Organisational Capital, Manufactured Capital |
| 4 Employee Health and Safety | Employees, government and regulators, and media | <ul style="list-style-type: none"> Occupational health and safety | Human Capital |
| 5 Customer/ Public Health and Safety | Customers, community, government and regulators, and media | <ul style="list-style-type: none"> Customer health and safety | Manufactured Capital, Social and Relationship Capital |
| 6 Economic Contribution to Society | All stakeholders across our value chain | <ul style="list-style-type: none"> Economic performance Market presence Indirect economic impacts | Financial Capital, Human Capital, Social and Relationship Capital |
| 7 Supplier Health and Safety | Builders and suppliers, government and regulators, investors, and media | <ul style="list-style-type: none"> Occupational health and safety | Human Capital, Social and Relationship Capital |
| 8 Customer and Tenant Engagement | Customers, investors, community, government and regulators | <ul style="list-style-type: none"> Approach to stakeholder engagement | Manufactured Capital, Social and Relationship Capital |
| 9 Energy Efficiency | Customers, builders and suppliers, government and regulators, investors, community, and media | <ul style="list-style-type: none"> Energy Emissions | Natural Capital |
| 10 Environmental Impact Assessment and Mitigation | Builders and suppliers, community, and media | <ul style="list-style-type: none"> Biodiversity | Natural Capital |

| Issues of Increasing Importance | Impact and Boundaries | Topics under GRI Standards | Addressed in this Report |
|---------------------------------|---|--|--------------------------|
| Responsible Material Use | Customers, builders and suppliers, government and regulators, investors, community, and media | <ul style="list-style-type: none"> Materials | Natural Capital |
| Water Conservation | | <ul style="list-style-type: none"> Water | |
| Effluent and Waste Management | | <ul style="list-style-type: none"> Effluent and Waste | |

INTEGRATED STRATEGY FOR VALUE CREATION

Our ESG Risks and Opportunities

CDL recognises that disconnection between sustainability and risk management can lead to strategic and operational risks, as well as missed opportunities for growth. Through stakeholder engagement and materiality assessment, we complement our Enterprise Risk Management (ERM) in the identification and assessment of ESG risks and opportunities, having reviewed the impact of material ESG issues on our business and stakeholders.

We will continue to monitor and review the risks and mitigating controls, to reflect changes due to emerging global trends and the ever-evolving business landscape. Details on CDL's ERM framework can be found on page 37 to 39.

Climate Change Risks

This includes risks driven by changes in regulations, physical climate parameters and other climate-related developments. One example is the enforcement of the Paris Agreement that will reshape national economies, development paths, and value chains for companies across the globe. Along with a formalised Climate Change Policy since 2015, CDL also adopted the Sectoral Decarbonisation Approach to set science-based targets to demonstrate commitment to keep global warming below two degrees Celsius.

Health & Safety Risks

Although most work activities at our construction sites and managed buildings are carried out by contractors, CDL recognises that a safe work environment is a productive one.

Within the EHS Management System (EHS MS), CDL established an independent audit tool – the CDL 5-Star EHS Assessment System – to ensure contractors' onsite EHS performance. CDL also requires contractors to have a minimum of a bizSAFE level 3 or OHSAS18001 certification, to ensure that workplace safety and health risks can be adequately addressed and managed.

People Risks

This includes fraudulent and corrupt practices amongst employees and business contacts that may result in financial losses and reputational damage. CDL has a zero-tolerance policy towards fraud and corruption, and has in place whistle-blowing procedures enabling employees and other persons to raise concerns of possible improprieties in confidence. In addition, the loss of human talent will impact the company's daily operations and ability to sustain growth. Identification, development and retention of talent are key aspects of CDL's human capital risk management.

Product Risks

Property purchase and leasing is a significant investment or recurring expense for CDL's customers. The failure to meet customers' expectations on product quality and responsibility will affect CDL's market performance. CDL makes it a priority to deliver innovative green and safe designs, with high standards of workmanship and functionality, by voluntarily subscribing to the BCA Construction Quality Assessment System (CONQUAS). For quality assurance, CDL has set a target to rectify defects reported at new developments within 30 days.

Raw Materials Supply Risks

Developing new buildings requires raw materials ranging from timber to steel. The stability and the sustainability of the supply production of such materials have direct impact on CDL's core business operations. Within the EHS MS, CDL has Green Procurement Guidelines that clearly state the requirements for sustainable sourcing.

Regulatory Risks

Legal non-compliance may result in monetary fines and non-financial sanctions which may impact CDL's operations and reputation. Failure to comply with local and international laws will also threaten CDL's licence to operate in those markets. Within the EHS MS, the applicable legal requirements are regularly monitored and evaluated for compliance. A system of incentives and penalties has also been implemented to improve and tighten contractors' site management.

Water Risks

Increases in water tariffs, the supply of water and its subsequent discharge into water systems are key risks to the environment that CDL has identified. To ensure a reduction in the use of potable water in construction, CDL monitors water consumption closely with set targets in place. Water recycling and silt water treatment systems have been set up onsite, and discharges into the water systems are closely monitored.

RISKS

Demographic Shifts

The UN Population Prospect in 2008 projected that almost 10% of the world's population will be above 65 years old by 2020 and by 2030, this statistic is projected to go up to 15%. An aging population poses challenges on how businesses design jobs and fulfill customers' needs. It also presents opportunities for corporations to respond and position themselves to meet these new demands and realities.

As a leading eco-developer, CDL can leverage on our green building track record and expertise to innovate product offerings to capitalise on the emerging senior homes and elderly care markets.

Low-Carbon Economy

By 2020, the global low-carbon and resource efficient industry is projected to reach US\$2.2 trillion*. With Singapore's pledge for 36% reduction in emissions intensity by 2030, the Climate Action Plan and Sustainable Singapore Blueprint, governmental efforts are increasingly moving towards a green growth economy.

Beyond our long-established commitment to invest 2% to 5% of a new development's construction cost on green features, CDL has partnered the NUS School of Design and Environment to catalyse innovations in smart and green building technologies, which can be test-bedded in our future developments. Through the NUS-CDL Smart Green Home and NUS-CDL Tropical Technologies Laboratory (T² Lab), CDL will champion novel solutions to meet the future lifestyle needs of homebuyers and tenants in a climate-resilient, urbanised environment.

In the year ahead, CDL will be reviewing the adoption of carbon pricing to stay ahead of the upcoming carbon tax regulation.

* Based on a study by UN Environment, 2013.

Responsible Investment and Green Financing

The UN Principles for Responsible Investment has amassed over 1,500 signatories, representing US\$60 trillion in assets under management pledged towards incorporating ESG factors into investment and ownership decisions. The expanding pool of socially responsible investors is also evident in the rapid growth of green bond markets, which saw a 92%** increase in 2016 and is expected to continue growing.

These developments present opportunities for CDL to attract fresh funds from the global responsible investment community, as well as raise capital for future green building initiatives and innovation through the issuance of green bonds.

On 6 April 2017, CDL announced the successful launch of our inaugural green bond which raised \$100 million to finance green building initiatives for our flagship Republic Plaza.

Sharing Economy

While the burgeoning sharing economy has disrupted conventional businesses in office and residential lease, CDL has capitalised on these rapidly growing sectors by venturing into new business models in search of long-term recurring revenue streams.

- In January 2017, CDL invested in China's leading co-working space operator Distrii to create one of the largest co-working facilities in Singapore – over 60,000 square feet of space at Republic Plaza in the heart of the city's Central Business District, scheduled to open in 2018.
- In September 2016, CDL China invested in the fast-growing Chinese online apartment rental platform mamahome – a one-stop solution for both apartment owners and rental customers – with more than 150,000 apartment listings in 20 China cities.

** Climate Bond Initiative Green Bond Highlights, 2016.

INTEGRATED STRATEGY FOR VALUE CREATION

REPORT PERIOD AND SCOPE

This is CDL's tenth Sustainability Report. It replaces the CDL Integrated Sustainability Report 2016 as our latest annual publication dedicated to providing information on financial, governance, social and environmental performance that are material to CDL's business and stakeholders.

This Report contains a full year's data from 1 January to 31 December 2016 and focuses primarily on operations owned and managed by CDL's Singapore headquarters, excluding that of our subsidiaries. The scope covers our principal business as a real estate management and development company, comprising operational functions such as project development as well as property and facilities management of commercial and industrial developments, and our corporate headquarters in Singapore. In 2016, property development was the main contributor to CDL's pre-tax profit.

Following the inclusion of carbon emissions data from our key subsidiaries since 2015, we have further expanded the reporting scope to include their energy and water use data for FY 2016. These six subsidiaries are:

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

M&C has over 130 hotels with more than 37,000 rooms worldwide, many in key gateway cities. While CDL has a 65% interest in M&C, the company has its own Board of Directors that oversees its policies and operations.

The Board has adopted a number of policies, collectively referred to as Responsible Hospitality, which are designed to recognise M&C's wider impact on the communities in which it operates. M&C's Corporate Responsibility activities and full year carbon footprint are included in its Annual Report available at www.millenniumhotels.com.

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

CDL voluntarily discloses the information as we believe in upholding the principles of corporate transparency, disclosure, and communication with our stakeholders. Any variance in data from the CDL Annual Report 2016 is due to updates following the external assurance of this Integrated Sustainability Report. For additional information on our comprehensive initiatives on sustainability, please refer to our sustainability microsite: www.cdlsustainability.com.

Report Content

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

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

and disclosed within this Integrated Sustainability Report.

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

Reporting Boundaries and Standards

This Report is aligned with the latest Global Reporting Initiative (GRI) Standards for sustainability reporting launched in October 2016, and its Construction & Real Estate Sector Supplement. It is prepared in accordance with GRI Standards – Comprehensive option and its Reporting Principles for defining reporting content:

- **Stakeholder Inclusiveness:** beyond identifying our stakeholders and responding to their expectations and interests, we engage our builders and suppliers in the rigorous reporting process in line with the new GRI Standards. This helps to raise accountability of stakeholders along our supply chain.
- **Sustainability Context:** presenting performance in the wider context of sustainability;
- **Materiality:** focusing on issues that impact business growth and are of utmost importance to our stakeholders;
- **Completeness:** including full coverage of material topics and boundaries that are of significant economic, environmental, and social impact to enable stakeholders to assess CDL's performance in the reporting period

This Report has successfully completed the GRI Materiality Disclosures Service which verifies that

the General Disclosures 102-40 to 102-49 were correctly located in both the GRI Content Index and in the text of this Report. The GRI Content Index can be found on pages 96 to 100.

This Report also adopts the International Integrated Reporting Council's (IIRC) Integrated Reporting Framework by connecting ESG performance with business and financial impact for a more meaningful and all-rounded corporate reporting. Centred around six capitals – Financial, Organisational, Natural, Manufactured, Human, and Social and Relationship – this approach aims to present a holistic picture to our investors and stakeholders on how the interrelation between our business and sustainability performance leads to value creation in the long-term. CDL's value creation model is outlined on page 12.

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

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

- Scope 1 – direct GHG emissions from sources that are owned, such as company-owned vehicles and refrigerants

- Scope 2 – indirect emissions from purchased electricity using the location-based method
- Scope 3 – indirect emissions such as our business travel, staff commute, and outsourced services

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

We use an operational consolidation approach to determine organisational boundaries. For example, our carbon and energy data includes only the distribution impacts. Data is consolidated from a number of sources, including our project sites and fuel use information, and is analysed centrally. Our baseline year is 2007 and our emissions are independent of any GHG trades.

External Assurance

The CDL Integrated Sustainability Report 2017 continues to be externally assured to validate the accuracy and reliability of its content. Ernst & Young LLP (EY) was engaged to provide independent limited assurance of this Report against the latest GRI Standards for sustainability reporting and the Construction & Real Estate Sector Supplement. The assurance covered figures and statements found in this Report that are related to the Subject Matters approved by CDL's Chief Sustainability Officer and agreed as per the Assurance Statement. EY reviewed the underlying systems and processes that support the Subject Matters in this Sustainability Report. The

assurance is in accordance with ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information. The assurance, including the scope of work and conclusions, can be found in the Assurance Statement on pages 91 to 95.

In line with our steadfast commitment to align CDL's environmental practices with international best practices, CDL became the first Singapore developer in 2016 to validate our Greenhouse Gas (GHG) emissions data against the stringent ISO 14064 for GHG verification. CDL's 2016 GHG emissions data continues to be verified by Lloyd's Register Quality Assurance Ltd. (LRQA) in accordance with the requirements of ISO 14064-3 specification with guidance for the validation and verification of GHG assertions. LRQA's Assurance Statement, which is for the internal GHG report prepared by CDL, can be found on pages 88 to 90. To request for CDL's GHG report, please write in to our feedback channel.

Accessibility

CDL continues to print only limited copies of this Integrated Sustainability Report as part of our environmental conservation efforts. Current and previous editions of the reports are available at www.cdlsustainability.com.

Feedback Channel

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

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



BUILDING FUTURE VALUE

FINANCIAL CAPITAL

A company's financial capital and market performance depend on its ability to create a competitive edge and generate tangible value for its shareholders, customers, employees and the society at large. Sustaining healthy profits also relies on intangible assets such as leadership quality, organisational excellence, brand equity, environmental management and human capital.

More studies have shown that investors are increasingly linking a firm's financial performance to its sustainability practices. According to a 2015 report by Morgan Stanley, over 70% of investors consider sustainability factors for investment decisions.

Globally, over 140 parties have ratified the Paris Agreement as of end March 2017, and many forward-looking companies have begun to align their corporate agendas to the United Nations (UN) Sustainable Development Goals (SDGs). In Singapore, to manage resource scarcity, the government has put in place measures to encourage corporations to use their natural capital more efficiently or risk increasing costs. With these moves toward a low-carbon and inclusive economy, companies will need to address long-term sustainability opportunities and risks in order to stay competitive.

At CDL, we aim to capitalise on these opportunities and mitigate operational risks to achieve a balanced triple bottom line for sustained growth.

In today's highly volatile business environment, CDL continues to adopt prudent financial management, capitalising on our assets and investments in growth strategies to enhance shareholder value.

MARKET REVIEW AND PERFORMANCE

Despite the challenging economic environment, the CDL Group achieved a creditable net profit after tax and non-controlling interests (PATMI) of \$653.2 million for FY 2016 (FY 2015: \$773.4 million). Basic earnings per share was 70.4 cents for FY 2016 (FY 2015: 83.6 cents). The lower PATMI versus 2015 was due to the absence of the substantial profits recognised in Q4 2015 from our second Profit Participation Securities (PPS) platform. Nonetheless, PATMI for 2016 was boosted by strong residential sales in China and Singapore, and divestitures including our 52.52% interest in City e-Solutions Limited in Q3 2016, and Exchange Tower in Q4 2016, as well as the recapitalisation of Summervale Properties Pte. Ltd. (Summervale) resulting in the establishment of our third PPS platform.

Revenue rose 18.2% to a record \$3.9 billion for FY 2016 (FY 2015: \$3.3 billion). The increase was driven by the property development segment which contributed 44.7% of the revenue, with strong maiden contribution from Hong Leong City Center in Suzhou in Q4 2016 and steady sales of our other Singapore projects, namely Gramercy Park, Coco Palms, D'Nest and The Venue Residences and Shoppes, as well as revenue recognition in entirety from the fully sold Lush Acres Executive Condominium (EC), which obtained Temporary Occupation Permit (TOP) in June 2016.

Domestically, Singapore's residential property market across all market segments continued to be weighed down by oversupply and government property cooling measures remained largely in place. Urban Redevelopment Authority (URA) data indicated that prices for private residential properties fell by 3.1% in

2016, compared with a 3.7% decline in 2015. Rentals of private residential properties declined by 4.0% for 2016 compared with the 4.6% fall in 2015.

Despite uncertainties in the residential property sector, CDL continued to achieve steady sales. In 2016, the Group, together with our joint venture associates, sold 1,017 units including ECs, at a sales value of about \$1.25 billion, emerging as one of the top-selling private developers in Singapore (FY 2015: 674 units with total sales value of \$691.5 million).

With interest rates likely to rise, buyers are taking a more cautious approach, which continues to impact prices and rentals. However, new launches with strong attributes are likely to continue to enjoy good sales momentum. For the office sector, URA data showed that prices and rentals of office space in FY 2016 fell by 2.8% and 8.2% respectively. Our office portfolio nonetheless continued to enjoy healthy occupancy of 95.9% as at 31 December 2016, versus the national average occupancy rate of 88.9%.

In view of the headwinds in the Singapore market, we have been de-risking our Singapore exposure by growing our international segments. We have been actively seeking opportunities overseas, primarily in our five key markets – United Kingdom (UK), United States (US), China, Japan and Australia. In FY 2016, our overseas segments accounted for 58% of CDL Group's total EBITDA* and 45% of total assets. This is inclusive of our hotel portfolio under our London-listed subsidiary Millennium & Copthorne Hotels plc (M&C).

Revenue from overseas development projects is recognised on completion, and moving forward, we expect these projects to contribute significantly to our profits. Over 80% of the Group's land bank in terms of proposed Gross Floor Area is now overseas, with China and UK as our largest markets.

* Earnings Before Interest, Taxes, Depreciation and Amortisation

FINANCIAL CAPITAL

KEY FINANCIAL INFORMATION

| YEAR | 2012 | 2013 ⁽¹⁾ | 2014 | 2015 | 2016 |
|----------------------------------|------------|---------------------|------------|------------|-------------------|
| Revenue | \$3,354 m | \$3,213 m | \$3,764 m | \$3,304 m | \$3,905 m |
| Tax paid | \$204 m | \$135 m | \$115 m | \$128 m | \$157 m |
| Staff costs | \$665 m | \$705 m | \$763 m | \$818 m | \$810 m |
| Profit before tax | \$960 m | \$948 m | \$1,004 m | \$985 m | \$914 m |
| Profit for the year attributable | | | | | |
| to owners of the Company | \$678 m | \$686 m | \$770 m | \$773 m | \$653 m |
| Return on equity | 9.3% | 8.9% | 9.2% | 8.6% | 7.0% |
| Net asset value per share | \$8.03 | \$8.50 | \$9.25 | \$9.89 | \$10.22 |
| Basic earnings per share | 73.2 cents | 74.0 cents | 83.2 cents | 83.6 cents | 70.4 cents |

DIVIDENDS

| Ordinary dividend per share | | | | | |
|-------------------------------|-----------|-----------|-----------|-----------|--------------------------------|
| – Final | 8.0 cents | 8.0 cents | 8.0 cents | 8.0 cents | 8.0 cents⁽²⁾ |
| – Special interim | – | 8.0 cents | 4.0 cents | 4.0 cents | 4.0 cents |
| – Special final | 5.0 cents | – | 4.0 cents | 4.0 cents | 4.0 cents⁽²⁾ |
| Preference dividend per share | | | | | |
| | 3.9 cents | 3.9 cents | 3.9 cents | 3.9 cents | 3.9 cents |

Notes:

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

(2) Final and special final tax-exempt (one-tier) ordinary dividends proposed for financial year ended 31 December 2016 have been approved by the ordinary shareholders at the Annual General Meeting held on 25 April 2017.

PRUDENT CAPITAL MANAGEMENT AND SUSTAINABLE DIVIDEND POLICY

Building a strong capital base is the key objective of our capital management. This will ensure CDL maintains investor, creditor and market confidence, as well as sustains our business expansion and growth plans.

We manage and adjust our capital structure according to changes in economic conditions. For this purpose, our definition of “capital” encompasses all components of equity, including non-controlling interests. CDL may

hence adjust the dividend payment to shareholders or issue new shares or other financial instruments.

The Company’s dividend policy aims to provide a return to shareholders at least once a year, after taking into account the Group’s financial performance, short- and long-term capital requirements, future investment plans, general global and business economic conditions and any regulatory factors. The CDL Board endeavours to maintain a balance between meeting shareholders’ expectations and prudent capital management with a sustainable dividend policy; and will

review the policy from time to time and reserves the right to modify, amend and update the policy.

CDL monitors capital using a net debt equity ratio which is defined as net borrowings divided by total capital employed. In 2016, we maintained a robust balance sheet with a cash position of approximately \$3.9 billion and a healthy net gearing ratio of 16% (FY 2015: 26%).

Our strong cash position will enable the Group to seize acquisition opportunities and other growth platforms swiftly.

CAPITAL MANAGEMENT

| | As at 31/12/2012 | As at 31/12/2013 ⁽¹⁾ | As at 31/12/2014 | As at 31/12/2015 | As at 31/12/2016 |
|---|---------------------|------------------------------------|---------------------|---------------------|---------------------|
| Cash and cash equivalents | \$2,157 m | \$2,720 m | \$3,898 m | \$3,565 m | \$3,673 m |
| Net borrowings | \$2,357 m | \$2,589 m | \$2,820 m | \$2,938 m | \$1,865 m |
| Net gearing ratio ⁽²⁾ | 25% | 25% | 26% | 26% | 16% |
| Net gearing ratio – if fair value gains on investment properties are taken into consideration | 18% | 18% | 19% | 19% | 12% |
| Interest cover ratio | 17.4 times | 13.7 times | 12.1 times | 13.0 times | 12.5 times |

Notes:

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

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

CDL's financial information is described in more detail in our Annual Report 2016. Current and previous reports are available at www.cdl.com.sg

ACQUISITIONS AND EXPANSION

The CDL Group is on track to achieve our \$5 billion target for acquisitions and to grow our funds under management (FUM) business to \$5 billion by 2018 – a five year target set in 2014 as part of our accelerated diversification strategy.

A key focus of CDL's growth strategy is to actively build our overseas platforms in our core development business, particularly in five key overseas markets – the UK, US, China, Japan and Australia, while seizing suitable opportunities in Singapore.

In 2016, the Group made three strategic overseas acquisitions, bringing our total acquisitive investments to \$2.5 billion since 2014.

UK

In May 2016, CDL acquired our first office redevelopment property in the UK, Development House, in Shoreditch (north of the City of London) for £37.4 million. The existing 28,000 square feet (sq ft) six-storey office building can be potentially redeveloped into a nine-storey office building with about 90,000 sq ft, with ancillary retail space at the ground floor.

China

In September 2016, CDL China Limited, a wholly-owned subsidiary of the Group, invested RMB 100 million for a 20% stake in mamahome, one of China's fastest growing online apartment rental platforms. This investment will contribute to the Group's future long-term recurring income

streams. With more than 150,000 apartment listings spanning over 20 cities in China, the platform provides online management software and other value added services including housekeeping, renovation, 24-hour concierge and a call centre. Synergies can be shared with the Group's properties concentrated in the key gateway cities of Shanghai, Suzhou and Chongqing.

Japan

In October 2016, the Group signed an agreement with Mitsui Fudosan Residential Co., Ltd. to acquire a 20% stake in Park Court Aoyama The Tower, a prime residential project located in the highly sought-after Aoyama district within central Tokyo. Comprising a 26-storey tower with 163 apartments and facilities, it is expected to complete in 1H 2018.

FINANCIAL CAPITAL

The Group has continued to remain highly acquisitive as it entered into 2017, making three new investments in Q1.

In January, the Group announced that an agreement was signed to invest RMB 72 million for a 24% stake in Distrii, a leading operator of co-working spaces in China. Distrii currently has a capacity of over 2,200 seats across ten locations in Shanghai, of which over 80% has already been taken up. It is opening five more co-working facilities – three in Shanghai, one in Beijing and one in Hangzhou in 1H 2017 – bringing the total to 15 locations, with a seating capacity of 3,700. It plans to further expand in other global gateway cities. Distrii will make its first international foray by leasing more than 60,000 sq ft of space at Republic Plaza, the Group's flagship Grade A office building in Raffles Place. This will help backfill some of the space that will be vacated by one of the Group's anchor tenants in the building. It is expected to open in 1H 2018.

In February, the Group announced its wholly-owned subsidiary, CDL China Limited entered into an equity transfer agreement to acquire a prime Shanghai commercial project for a total transaction value of RMB 900 million. The acquisition will be made through the purchase of a 100% equity stake in Shanghai Meidao Investment Co. (Shanghai Meidao). Shanghai Meidao owns the commercial development currently known as Meidao Business Plaza in Shanghai's fast-developing Hongqiao Central Business District.

In the same month, the Group also acquired the 1.6 acre Ransomes Wharf site in Battersea for £58 million. The site is located within the London Borough of Wandsworth, on the south bank of the River Thames, adjacent to the Albert Bridge. It is also a short distance from Battersea Park, which is one of London's best kept riverside open spaces. The site has existing planning permission for 118 apartments including affordable homes, commercial units and car parking spaces. The residential development will comprise six residential buildings of up to 10 storeys. Site demolition works are expected to commence in Q3 2017.

FUNDS MANAGEMENT

In 2016, CDL unlocked value in Nouvel 18, a 156-unit luxury freehold residential development on Anderson Road through our third PPS platform for \$977.6 million. This initiative was our first funds management platform where the asset was a purely high-end residential project. PPS 3 was also unique as it targeted Singaporean high net worth investors, while our previous two PPS platforms were primarily targeted at institutional investors.

Under the PPS 3 structure, we exited our entire interest in Summervale, the vehicle holding Nouvel 18, via a recapitalisation by high net worth Singaporeans and companies wholly-owned by Singapore citizens. The recapitalisation comprised \$102 million issued in the form of ordinary and preference shares to Green 18 Pte Ltd, a special purpose vehicle company formed by the incoming investors.

The investors will enjoy a preferred 5% annual internal rate of return and upside beyond that, when the units are sold, less any incentives fees. Concurrently, two banks provided \$579.2 million in senior loans facilities, and the remainder \$296.4 million was raised via issuance of notes (fixed income securities).

The Group's wholly-owned subsidiary, Trentwell Management Pte. Ltd. (Trentwell), was appointed as the exclusive asset manager and marketing agent (for five years with an option to extend to seven) to manage, lease, market and sell the units of Nouvel 18. Trentwell will receive an incentive fee after a performance benchmark is met.

The third PPS is in line with our strategy to grow our funds management business, enabling the Group to recycle capital for our growth plans and unlock shareholder value. With PPS, the Group has over \$3.5 billion FUM and is on track to achieve our \$5 billion FUM target by end-2018.

LOOKING AHEAD

In 2017, CDL plans to be more acquisitive with a focus on finding in-place income in Singapore and overseas. Our robust balance sheet and war chest place us in a strong position to deploy capital for acquisitions which can be in the form of physical assets, equities or debt instruments. We will continue to exercise strict discipline in capital management, remaining highly selective and value oriented, and may take a contrarian approach when needed, to enhance shareholders' returns.

CDL will also continue to pursue our funds management and capital recycling programme. This may take the form of another PPS or traditional private equity structures. We are actively exploring asset enhancement initiatives for our existing office portfolio to ensure our assets remain relevant, up-to-date and competitive. Additionally, we are evaluating innovative offerings and new growth platforms that are complementary to our core businesses. The sharing economy is expected to grow significantly, and our investments such as mamahome and Distrii, provide the Group entry into these growing sectors, which will contribute to our long-term recurring income streams.

In addition, with the growing demand for socially responsible investment products, we recently launched our inaugural green bond on 6 April 2017 - a first by a Singapore company. The two-year senior secured bond raised S\$100 million at 1.98% fixed rate, offering us an alternative financing stream. We are keen to explore more green bond issuances in the future that will link our sustainability initiatives with capital markets, and enable us to tap on investors who are supportive of the commitment that CDL has made over the past two decades towards sustainability best practices.

In Singapore, the cooling measures and oversupply of office space will continue to dampen market sentiment in the near-term. However, we remain highly plugged-in to our home market with defensive measures in place to navigate headwinds.



BUILDING A RESILIENT ORGANISATION

ORGANISATIONAL CAPITAL

MAINTAINING STRONG LEADERSHIP AND MANAGEMENT

Reflecting CDL's continued commitment to groom leaders from within and attract competent professionals to maintain the Company's strong management, we announced several senior appointments in 2016. These included the Deputy Chief Executive Officer, Chief Financial Officer, Chief Human Resource Officer, Head of Asset Management, Head of Capital Markets, and Head of Investor Relations.

The move is part of CDL's ongoing efforts to enhance our organisational structure and management systems to sustain long term growth, as we ramp up our diversification plans and position our Company for expansion of our international presence and funds management platforms.

Enhanced Vision, Mission and Values (VMV)

In 2016, the Company introduced an enhanced set of corporate VMV to complement our business strategy in today's evolving business landscape. Launched by our Chief Executive Officer at an employee town hall, the refined VMV guides our actions in supporting the Company's purpose to build value for our business and stakeholders, as we continue to transform our organisational frameworks and develop our growth platforms.

Supporting our corporate vision of "Building Value for Tomorrow, Today", we have also introduced a new sustainability blueprint – **CDL Future Value 2030**. It sets clear directions and goals to propel our business into the future. Our VMV and CDL Future Value 2030 blueprint can be found on page 12 and 15.

Effective Communication through All Levels

Aligning corporate culture and employees' commitment with the Company's strategic goals is key to our business performance and sustainability. Our employees are informed of the Company's performance and any new direction through regular communication and reviews of processes at all levels. Our Senior Management Team (SMT) and Heads of Departments (HODs), who are highly involved in setting the directions, meet regularly to look into key issues. Our review and communication channels include:

- Biweekly SMT Meetings to discuss and review strategic initiatives
- Monthly HOD Meetings for operational updates and senior leaders' directions
- Quarterly Business Operations Meetings where frontline HODs review operational issues
- Quarterly Risk Management Committee (RMC) Meetings chaired by our CEO and attended by members of SMT and HODs in charge of the Company's strategic risks to provide updates, guidance, and reporting of key risk issues. The RMC also reports quarterly to the Board Audit and Risk Committee
- Regular taskforce meetings chaired by our CEO/ Group General Manager/ Chiefs on matters such as sustainability, ISO 14001, risk management, and tenant engagement
- CEO staff dialogues where our CEO will receive feedback from employees and share top management's vision for CDL
- Town hall and staff events throughout the year where top management communicates business directions and challenges, celebrates good results, and addresses employees' queries

- A structured induction programme where HODs brief new hires on their respective departments, while the Human Resources (HR) department shares on CDL's organisation profile and VMV
- CDL360, an employee communications platform containing CDL's VMV, Code of Business Conduct and Ethics, corporate policies, HR initiatives, CSR information, Company-wide announcements and news about CDL

Measuring Up to Best Practices

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

- ISO 9001 – Quality Management
- ISO 14001 – Environmental Management System
- ISO 14064-1 – Greenhouse Gas Emissions
- ISO 26000 – Guidance on Social Responsibility
- ISO 50001 – Energy Management Systems
- OHSAS 18001 – Occupational Health and Safety Management
- CDP (formerly known as Carbon Disclosure Project)
- Global 100 Most Sustainable Corporations in the World
- FTSE4Good Index Series
- Dow Jones Sustainability Indices
- MSCI Global Sustainability Indexes
- Global Real Estate Sustainability Benchmark (GRESB)
- Channel NewsAsia Sustainability Ranking
- UN Global Compact 100 Index
- United Nations (UN) Sustainable Development Goals (SDGs)
- Singapore Exchange (SGX) Sustainability Indices
- Singapore Quality Class

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

CORPORATE GOVERNANCE

CDL is committed to upholding the highest standards of corporate governance and business integrity in all our business activities, which are essential for the long-term viability of the Group's businesses and the enhancement of shareholder value.

To demonstrate our commitment towards excellence in corporate governance, CDL has joined the Securities Investors Association (Singapore) (SIAS) and its partners since 2010 in making the following public Statement of Support, which was reiterated at the 7th Singapore Corporate Governance Week 2016 organised by SIAS:

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

Pursuit of Excellence in Governance and Transparency

At the SIAS Investors' Choice Awards 2016, CDL received the prestigious "Most Transparent Company Award 2016" in the Real Estate category for our outstanding efforts in corporate disclosure and transparency standards. CDL was also conferred the Merit award for Diversity under the Singapore Corporate

Governance Award. The Diversity Award recognises excellence in promoting diversity in boards of directors amongst SGX-listed companies. In addition, CDL also took home the Runner-Up award for Internal Audit Excellence, which recognises public listed companies that have put in place an effective internal audit function which enhances corporate governance, risk management and internal controls.

As CDL continues to uphold the highest standards of corporate governance, we have improved our ranking on the Singapore Governance and Transparency Index (SGTI) from the 24th position in 2015 to 10th in 2016. The SGTI assesses companies on their corporate governance disclosure and practices, as well as the timeliness, accessibility and transparency of their financial results announcements.

Practices and Principles

Our corporate governance practices are set out in the Corporate Governance Report within CDL's 2016 Annual Report with specific reference to the principles and guidelines of the Code of Corporate Governance 2012 (2012 Code). Where the Company's practices differ from the principles and guidelines under the 2012 Code, the Company's position in respect of the same is also set out in our Corporate Governance Report.

Board Matters

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

Remuneration Matters

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

Accountability and Audit

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

Communication with Shareholders

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

For the full Corporate Governance Report, please refer to the CDL Annual Report 2016.

CORPORATE VALUES AND CONDUCT OF BUSINESS

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

A corporate DNA of responsible practices, strong accountability and an effective control system will help to contribute towards Goal 16 of the UN SDGs in promoting fair, peaceful and inclusive societies where businesses can thrive and prosper.

Code of Business Conduct and Ethics

CDL has in place an internal code of business and ethical conduct crystallising the Company's business principles and practices for matters which may have ethical implications. The code provides a clear framework for staff to observe the Company's principles such as honesty, integrity, responsibility and accountability at all levels of the organisation and in the conduct of the Company's business in their dealings with customers, suppliers and fellow colleagues. It is available on the Company's intranet for easy access by all employees.

The code provides guidance on issues such as:

- Conflicts of interest and the appropriate disclosures to be made
- The Company's stance against corruption and bribery
- Compliance with applicable laws and regulations including those relating to the protection of the environment and the conservation of energy and natural resources

- Compliance with the Company's policies and procedures, including those on internal controls and accounting
- Safeguarding and proper use of the Company's assets, confidential information and intellectual property rights, including the respect of intellectual property rights of third parties
- Competition and fair dealing in the conduct of the Company's business, in its relationships with customers, suppliers, competitors and towards its employees

Internal Code on Dealings in Securities

CDL's internal code on securities trading sets out the implications of insider trading and provides guidance and internal regulation on dealings in the Company's securities by its Directors and employees. These guidelines prohibit dealing in the Company's securities (a) on short-term considerations, (b) while in possession of unpublished material price-sensitive information in relation to such securities, and (c) during the "closed period", which is defined as two weeks before the

date of announcement of financial results for the first, second, and third quarters of the Company's financial year and one month before the date of announcement of the full-year financial results, and ending on the date of the announcement of the relevant results. The Directors and employees of the Company are notified in advance of the commencement of each "closed period" relating to dealings in the Company's securities. The internal code on securities trading is available on the Company's intranet for easy access by all employees.

Corporate Policies and Guidelines

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

Corporate Policies

| | |
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| Anti-Corruption Policy and Guidelines | <p>This set of policy and guidelines spell out the responsibilities of CDL's companies and of each employee in observing and upholding CDL's 'zero-tolerance' position against all forms of corruption, bribery, and extortion. It also provides information and guidance to employees on how to recognise, address, resolve, avoid, and prevent instances of corruption, bribery, and extortion which may arise in the course of their work.</p> |
| Fraud Policy and Guidelines | <p>CDL provides guidance on actions which may constitute fraudulent conduct and highlights the importance of the implementation, maintenance, and compliance with the internal controls framework of the Group and its policies and procedures.</p> |

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| <p>Whistle-Blowing Policy</p> | <p>CDL has a whistle-blowing procedure which enables employees and other persons to raise in confidence, whether anonymously or otherwise, concerns on possible improprieties relating to accounting, financial reporting, internal controls, auditing or other matters, without fear of reprisal in any form. The ARC has the responsibility of overseeing this Policy, which is administered with the assistance of the Head of IA. Under these procedures, arrangements are in place for independent investigation and for appropriate follow-up actions to be taken.</p> <p>To facilitate and encourage reporting, the Whistle-Blowing Policy and the dedicated whistle-blowing communication channels (email, postal address and telephone numbers) are available on the Company's website and intranet, and is easily accessible by all employees and other persons.</p> <p>Toll-free lines for callers from Singapore, China, and Thailand are now available. Direct email channels to the Board Chairman, CEO, and ARC Chairman were also established for reports involving any Director, Senior Management and the Head of IA.</p> |
| <p>Personal Data Policy</p> | <p>CDL's Personal Data Policy informs our stakeholders on how CDL manages personal data in compliance with the Singapore Personal Data Protection Act (No. 26 of 2012). Customers can get in touch with our Data Protection Officer by mail, email, and phone on the following:</p> <ul style="list-style-type: none"> • Any questions, complaints or feedback relating to their Personal Data or our Personal Data Policy • To withdraw their consent to our use of their Personal Data as set out in our Personal Data Policy • To obtain access and/or make corrections to their Personal Data records under our control or in our possession |
| <p>Competition Policy and Guidelines</p> | <p>It is CDL's policy to compete fairly and ethically in the conduct of business in all markets, and this Policy seeks to:</p> <ul style="list-style-type: none"> • Educate our employees on and improve their knowledge and understanding of anti-competitive practices, conduct and acts which amount to an abuse of a dominant position in the market, which are prohibited • Provide direction and guidance to employees in their relationships and communications with competitors and customers |
| <p>Environmental, Health and Safety (EHS) Policy</p> | <p>CDL's corporate EHS Policy reflects our pledge towards a "Safe and Green" culture. The Policy includes Key Performance Indicators for departments contributing to our EHS performance. This ensures that we achieve a consistently high EHS standard across the organisation.</p> |
| <p>Climate Change Policy</p> | <p>CDL supports Singapore's Intended Nationally Determined Contribution of reducing its Emissions Intensity by 36% from 2005 levels by 2030, and to stabilise emissions with the aim of peaking around 2030. Based on existing procedures and policies demonstrating our commitment in mitigating climate change, a Climate Change Policy was formalised on 3 March 2015.</p> |

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| Human Rights Policy | <p>In 2016, CDL expanded our existing Corporate Statement on Human Rights into a Human Rights Policy, to broaden the scope of issues and deepen our human rights system. CDL has been a signatory to the United Nations Global Compact’s principles on Human Rights and Labour since 2005, and is guided by international human rights principles as derived from the Universal Declaration of Human Rights and the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work. Beyond our compliance to the local government’s policy and national legislation in protecting human rights, the policy covers aspects including respects for human rights, equitable employment practices, non-discrimination, fair welfare and compensation, as well as workplace health and safety within our developments.</p> |
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In addition, CDL seeks to uphold fair and responsible practices and promote inclusivity in all our business activities, by effecting the following responsibilities along our value chain.

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| Anti-Money Laundering and Counter Financing Terrorism Policy | <p>In 2016, CDL introduced the Anti-Money Laundering and Counter Financing Terrorism policy for its property business in line with Urban Redevelopment Authority’s guidance and Monetary Authority of Singapore’s mission to mitigate the risk of Singapore being used as a platform by global criminals and terrorist organisations to launder illicit funds. The Policy provides guidelines and procedures for our front line sales and compliance function to detect and report such criminal acts.</p> |
| Pledge for Zero – A CEO Commitment Charter | <p>CDL is a founding signatory of the “Pledge for Zero – A CEO Commitment Charter”, launched at the inaugural Construction CEO Summit organised by the Workplace Safety and Health Council in 2008. CDL adopted the pledge and committed to establish a zero-injury workplace. In 2016, CDL reiterated our commitment towards Construction Industry Workplace Safety and Health (WSH) Action Plans by galvanising 24 of our key builders and consultants to sign the ‘Pledge Towards Vision Zero Through Safe Design – Safe Practices – Safe Culture’.</p> |
| Employers’ Pledge of Fair Employment Practices | <p>CDL is a signatory of the Employers’ Pledge of Fair Employment Practices with the Tripartite Alliance for Fair Employment Practices (TAFEP). TAFEP works with employer organisations, unions and the Government to create awareness and facilitate the adoption of fair employment practices. The alliance is co-chaired by representing employer unions and National Trades Union Congress.</p> |
| Green Procurement Specifications | <p>Reflecting our belief in more efficient use of resources, we have a set of Green Procurement Specifications for the selection of vendors and suppliers at our Corporate Office and across core business operations in Singapore. The guidelines include:</p> <ul style="list-style-type: none"> • Sharing the corporate EHS Policy with new vendors and suppliers • Indicating preference for use of eco-friendly and recycled materials and products • Indicating preference for ISO 14001 certified vendors • Declaring the use of eco-friendly and recycled paper in printed materials |

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| <p>Supplier Code of Conduct</p> | <p>The Supplier Code of Conduct provides comprehensive guiding principles for our vendors and suppliers to comply with CDL's expectations of ethical standards, covering the following areas:</p> <ul style="list-style-type: none"> • Business integrity • Fair competition • Open communication • Conflict of interest • Gifts and entertainment • Health, safety, and environment • Legal compliance • Human rights • Reciprocity |
| <p>Ethical Marketing Practices</p> | <p>Since 2000, we have developed a set of internal procedures and an operations manual for marketing and leasing. These are reviewed annually to reflect changes in marketing practices, technology, regulation, and stakeholder expectations.</p> <p>Marketing collaterals produced by CDL are compliant with the Singapore Code of Advertising Practice administered by the Advertising Standards Authority of Singapore, an Advisory Council to the Consumers Association of Singapore.</p> <p>CDL's marketing practices also comply with the URA's Housing Developers Rules (HDR) and Building and Construction Authority's (BCA) Guidelines for Outdoor Signs at our construction sites. The HDR seeks to enhance transparency in the real estate industry, enabling homebuyers to make better informed decisions when buying a home, while the BCA guidelines prohibit cross-marketing of other products and services.</p> |
| <p>Board Diversity Pledge</p> | <p>In July 2015, CDL supported the Board Diversity Pledge initiated by the Singapore Institute of Directors and the SGX. By taking the pledge, the Company commits to promoting diversity as a key attribute of a well-functioning and effective Board.</p> <p>This is in line with our belief that a diverse Board will enhance decision-making by harnessing the variety of skills, industry and business experiences, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service, and other distinguishing qualities of the members of the Board.</p> |
| <p>Crisis Management Protocol</p> | <p>In 2016, CDL validated our corporate crisis management protocol which include incidence escalation, operational response and crisis communication. The effort culminated in a crisis simulation exercise where the SMT was put through a series of rigorous crisis scenario-based tests and a mock media conference and interview.</p> |
| <p>Universal Design Policy</p> | <p>CDL develops a wide range of properties from mass market executive condominiums to luxury homes. Regardless of property type, we believe that resource-efficient buildings can be a differentiator. We also continue to embed the principles of Universal Design – "design for all people" in all our projects, above the mandatory requirements specified in the Code of Barrier-Free Accessibility by the BCA.</p> <p>Our design brief includes features that encourage community-building and social integration. Our Universal Design Policy, which is endorsed by CDL's top management, provides the Company with a framework to create an inclusive built environment through developing buildings that respond to differing customer needs.</p> |

Procedures for Compliance

As part of CDL's corporate governance process, all key corporate policies are reviewed and approved by our Board to ensure that all members of the highest governing bodies are informed at all times. New Directors are also given a manual which includes all key corporate policies for their knowledge.

Every year, all employees are required to complete a compulsory online declaration to acknowledge that they are aware of, have read, and are in compliance with the policies, standards, and practices as set out in the Company's Corporate Policies and Guidelines. These Policies include the Code of Business Conduct and Ethics as well as policies and guidelines on Anti-corruption, Fraud, Competition, Whistle-blowing, Personal Data Protection, EHS, Climate Change and Human Rights.

To raise employees' awareness of the Company's zero-tolerance position on corruption, a series of Anti-corruption Awareness Bulletins were published on CDL 360 intranet in December 2016.

Within the induction and training programme for all new employees, information on Code of Business Conduct and Ethics and related corporate policies including Anti-corruption, Fraud, and Competition are provided.

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

In 2016, there were zero incidents of fraud and corruption across CDL's business operations in Singapore.

CDL had no incidents of non-compliance with the Singapore Code of Advertising Practice, nor with laws and regulations for which significant fines or non-monetary sanctions were issued to the Company in 2016. There were also zero incidents of anti-competitive behaviour and monopoly practices within the Company.

RISK MANAGEMENT

Risk management is a critical component to our business success. The Group has constantly strived to advance risk management practice as an important component in all our business portfolio and activities. It demonstrates the Group's commitment to high standard of corporate governance and serves as a beacon for our strategic planning and decision-making process.

Board ARC

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

RMC

The ARC's risk management oversight is assisted by the RMC, which comprises SMT and HODs, business units and corporate functions. The RMC is responsible for ensuring the effectiveness of the risk management framework of the Group. The objective is to provide an enterprise-wide

view of the risks arising from the Group's core business – property investment, development and management activities – and a systematic risk assessment methodology for the identification, assessment, management and reporting of such risks on a consistent and reliable basis.

The RMC focuses on identifying and addressing strategic and key operational risks whilst ensuring that the business units are accountable for the management, monitoring and control of risks within their day-to-day operations. Since 2015, the RMC also receives quarterly risk reports from local operating subsidiaries and overseas operations from China and Thailand and Millennium & Copthorne Hotels plc (M&C). This greatly enhanced the visibility of key risks arising from business operations outside Singapore to the ARC and the SMT, while allowing a unified value of good corporate governance and risk management to be permeated in our overseas operations.

CDL's ERM Framework

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

The ERM function provides the RMC and the SMT with regular updates on key strategic risks, global trends, assessment of key risk exposures from operations and any new emerging risks that may require management focus and coordination. It also assists the RMC on quarterly reports to the ARC on the overall strategic and operational

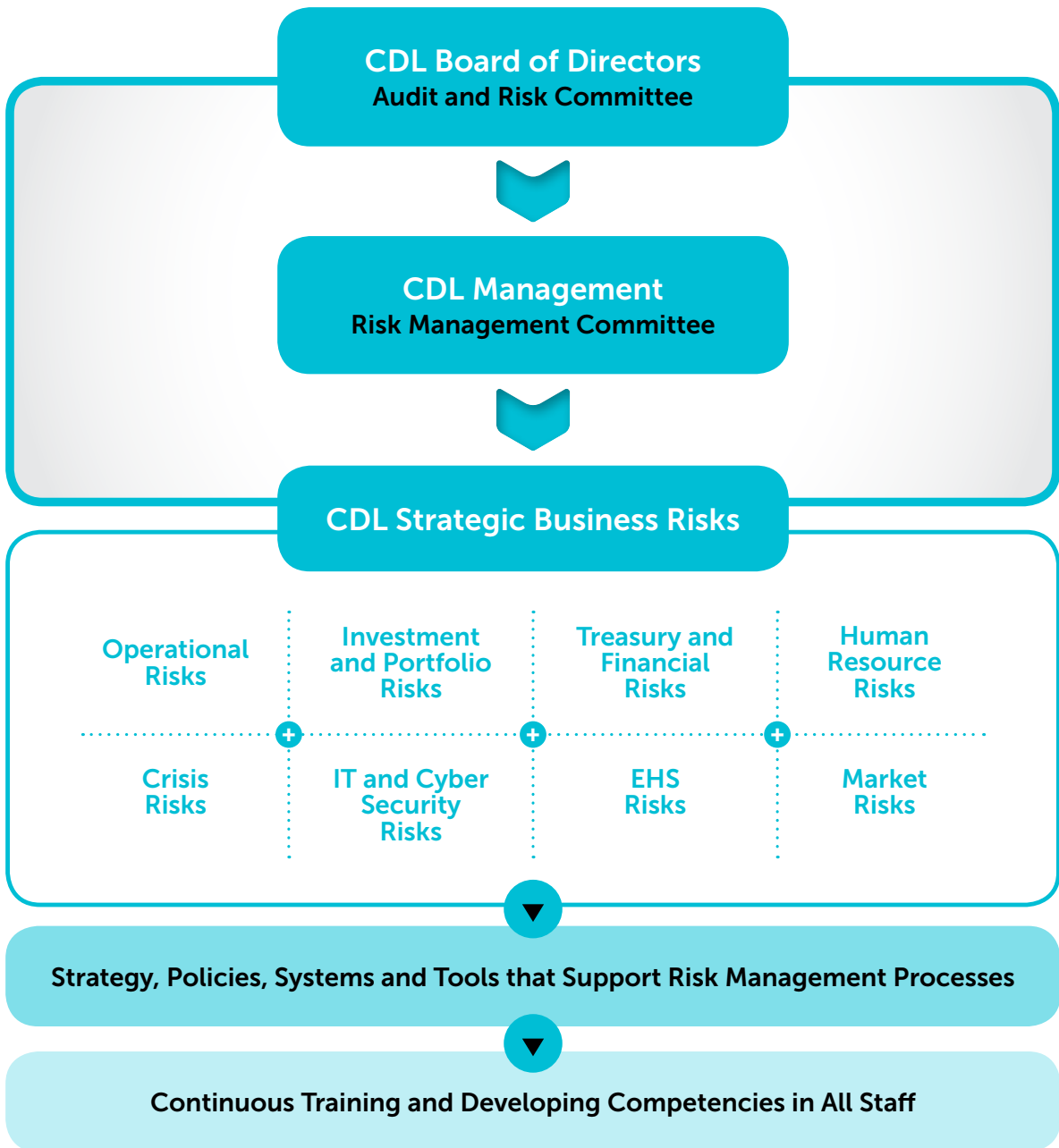
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risks positions, including mitigating measures, treatment plans and the occurrence or potential occurrence of significant risk events. In addition, ERM monitors and works closely with front-line operations to manage enterprise-wide regulatory compliance requirements. These compliance requirements include, but are not limited to, policies and practices on Personal Data

Protection Act and Anti-Money Laundering and Counter Financing Terrorism Act, which took effect in 2014 and 2015 respectively.

The RMC and ERM functions regularly review the framework against international standards and best practices in risk management to establish a holistic, structured, and consistent process for the

identification, assessment, evaluation, monitoring, and reporting of risks. Continuous training to build risk awareness and competencies, as well as systems and tools to operationalise the risk management framework are put in place to support this critical function.



The framework has categorised CDL's strategic business risks into the following main types. For full details on each risk type, please refer to the Risk Management Report in CDL Annual Report 2016.

- Crisis Risks
- EHS Risks
- Human Resource Risks
- Investment and Portfolio Risks
- IT and Cyber Security Risks
- Market Risks
- M&C Risks
- Operational Risks
- Strategic Risks
- Treasury and Financial Risks

Through stakeholder engagement and materiality assessment, we have also identified a list of material Environmental, Social and Governance (ESG) risks and opportunities to complement our strategic business risks under the ERM framework. Our material ESG risks and opportunities can be found on page 20 and 21 of this report.

Reviews and Improvements

The Group strives to detect, beyond our immediate horizon, strategic risks and emerging threats that may impact the execution and outcome of our strategy. In the Group's annual risk assessment, we have identified Global Terrorism and Extremism, Cyber Security, Geopolitical and Macroeconomics, and Emerging Global Trends as top strategic risks that will have long term impact on our global business portfolio.

1. Global Terrorism and Extremism

In view of the heightened threat and to mitigate potential severe consequences from a terrorism event, the Group has initiated a global insurance programme for special risk insurance coverage on its global property assets against

property damages, liabilities and business interruption arising from a terrorism or extremism event. To better prepare ourselves for any eventuality, the Group practised crisis management and communication protocols at our corporate HQ in a mock terrorism event. The SMT was put through a crisis simulation exercise that featured a series of crisis scenarios to test crisis management and emergency response procedures. The exercise culminated in a mock press conference and one-on-one interview with the CEO to simulate the rigour and demand required of our management team during and after a major crisis.

2. Cyber Security

With cyber-attacks becoming more prevalent and complex, the Group is adopting industry best practices and moving beyond technology defence towards a more holistic and risk-based cybersecurity framework. The objective is to establish a robust foundation to identify and protect our critical assets and more importantly, be able to detect and respond to the relevant threats. Data recovery exercises are also carried out to ensure critical information can be made available quickly and business recovery objectives are met. Information security materials are also made available to better educate employees of prevailing risks, especially in the handling of sensitive corporate data.

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

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

Moving Forward

The Group recognises that risks cannot be completely eliminated and has taken effort to effectively and efficiently reduce them to acceptable levels. The Group's domestic and overseas operating environments are affected by shifts in geopolitical undercurrents, which slow global economic growth. To manage these risks and others risks from emerging global trends in the form of rapid digitalisation, technology disruptions and demographics shift, the Group will continue to refine and improve our risk management framework, systems and processes to ensure both inherent risks and risks arising from these emerging trends are being monitored and managed efficiently. In that way, we hope to strike a good balance between risks and returns in the increasingly dynamic business environment of the future.

ORGANISATIONAL CAPITAL

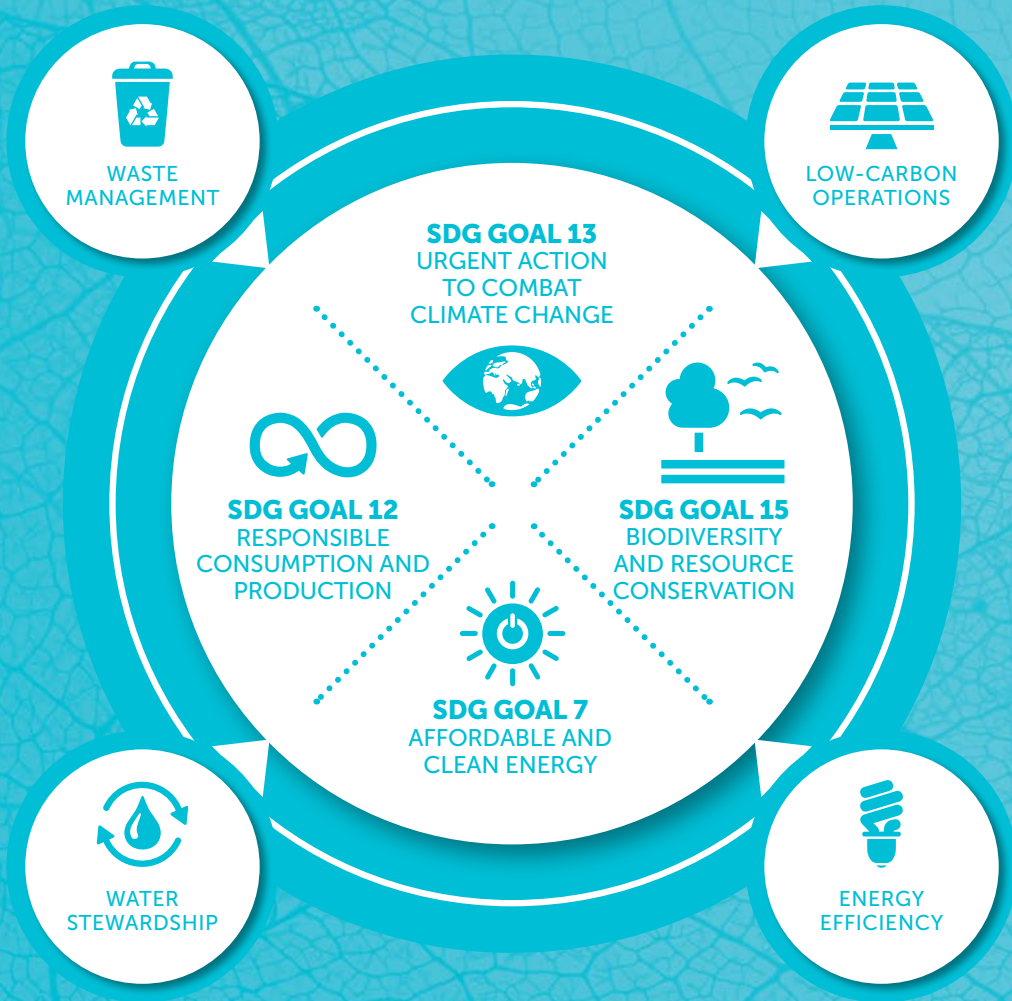
BRAND AND REPUTATION

Beyond our ESG policies, practices and standards, CDL's sustainability achievements have helped to build positive brand reputation and a trusted track record for the organisation.

| Regional and International Accolades | |
|--|--|
| Channel NewsAsia Sustainability Ranking (since 2014) | Named Top Property Developer in Asia and Top Singapore Corporation for three consecutive years, and second among the top 100 sustainable companies across 11 key Asian markets in 2016. |
| CDP (formerly known as Carbon Disclosure project) (since 2007) | The first Singapore company to voluntarily disclose carbon emissions data with CDP, a global environmental disclosure system used by investors, representing over US\$100 trillion in assets. |
| Dow Jones Sustainability Indices (DJSI) (since 2011) | The first Singapore developer to be listed on both the DJSI and FTSE4Good Index Series. |
| FTSE4Good Index Series (since 2002) | Amongst an elite group of companies worldwide that meet globally recognised ESG standards. |
| Global 100 Most Sustainable Corporations in the World (since 2010) | Most Sustainable Corporation in Real Estate Management & Development and Top Singapore Corporation in this eminent global ranking announced annually at the World Economic Forum. Only Singapore company to be listed for eight consecutive years. |
| Global Real Estate Sustainability Benchmark (GRESB) (since 2013) | Achieved a Green Star ranking – the highest category of sustainability performance for GRESB, a leading global source of comprehensive portfolio level sustainability data for the real estate industry. |
| MSCI Global Sustainability Indexes (since 2009) | Received the highest 'AAA' rating by MSCI ESG Research. The Indexes are designed to represent the most prevalent ESG investment strategies. |
| South East Asia Property Awards 2016 – Special Recognition in CSR, Singapore and Special Recognition in Sustainable Development, Singapore | In addition to winning top honours as Best Developer in Singapore and Best Condo Development in Southeast Asia for Gramercy Park, CDL was given two Special Recognition awards in CSR and Sustainable Development. |
| STOXX® ESG Leaders Index (since 2014) | Ranked amongst leading global companies in terms of ESG criteria based on indicators provided by leading ESG research provider Sustainalytics. |
| The Sustainability Yearbook 2017 | Listed on the annual guide of the world's most sustainable companies in each industry as determined by the RobecoSAM's yearly Corporate Sustainability Assessment. |
| UN Global Compact 100 (since 2014) | Only Singapore company selected as an index constituent based on the implementation of the ten UN principles and evidence of executive leadership commitment and consistent base-line profitability. |
| 2016 Bulldog Corporate Social Responsibility (CSR) PR Awards – Bronze Award | CDL Singapore Young Photographer Awards 2016 received a Bronze Award under the Best Campaign Supporting Arts/Culture category. The award recognises deserving companies with great achievements in CSR. |

| Local Accolades | |
|---|---|
| SIAS Investors' Choice Awards 2016 – Most Transparent Company Award, Real Estate | For the second consecutive year, CDL was conferred the prestigious award by SIAS for our outstanding efforts in corporate disclosure and transparency standards. |
| Singapore Corporate Awards 2016 – Special Recognition Award for Sustainability | Inaugural winner of the Special Recognition Award for Sustainability introduced at this longstanding awards jointly organised by the Institute of Singapore Chartered Accountants, the Singapore Institute of Directors and The Business Times, and supported by the Accounting and Corporate Regulatory Authority and the SGX. |
| SGX Sustainability Indices | Listed as one of the 24 firms on the inaugural SGX Sustainability Leaders Index that are considered to be clear frontrunners in ESG standards amongst listed companies in Singapore. |
| Workplace Safety and Health (WSH) Awards 2016 – WSH Developer Award and SHARP Awards | Proud recipient of the distinguished Developer Award for the ninth year and only developer to receive the accolade in 2016. Four of CDL's project sites were also accorded the SHARP (Safety and Health Award Recognition for Projects) award. |
| 2016 Patron of the Arts Award | A recipient since 1997, the Award by the National Arts Council recognises CDL's sustained contribution towards the promotion and advancement of the arts scene in Singapore. |

In addition to the above, we have also received numerous project-related accolades. More of CDL's achievements can be found on our corporate website: www.cdl.com.sg.



BUILDING A SUSTAINABLE ENVIRONMENT

NATURAL CAPITAL

CDL has always been a strong supporter and advocate of environmental protection. In 1995, we adopted the ethos of "Conserving as we Construct" because we recognised that a thriving, healthy environment and symbiotic relationship with nature is critical to the sustainability of businesses. We have since maintained our commitment to effectively manage and enhance our natural capital.

The building industry has a high environmental impact. Globally, it contributes 30% of Greenhouse Gases (GHG) emissions (the largest amount among all business sectors) and consumes 40% of energy and resources. CDL's business as a developer and landlord relies heavily on finite natural resources such as energy, water, concrete and wood amongst other building materials to create safe and efficient spaces for our customers. As such, resource scarcity and rising costs have a significant impact on the long-term continuity of our business operations and bottom line.

By aligning ourselves with the Singapore Government's commitment to the Paris Agreement and the United Nations (UN) Sustainable Development Goals (SDGs), CDL has enhanced our policies and practices to reduce our environmental impact, ensuring that our natural capital remains strong and sustainable.

Comprising representatives from relevant business units, the Environment sub-committee under the company-wide Corporate Social Responsibility (CSR) Committee, identifies environmental issues and manages impacts of our operations and activities. For close to two decades, CDL has had in place a host of policies and systems to assess and manage our material environmental

aspects including carbon emissions, energy efficiency, water use, as well as waste and resource management. In addition, we monitor and report other aspects such as biodiversity and noise which are important to many of our stakeholders.

LIFECYCLE APPROACH

Since having adopted ISO14001:2015, we have further strengthened our existing sustainability strategy by using a lifecycle approach to better mitigate the negative environmental impacts associated with a building. From pre-construction environmental impact studies to the subsequent maintenance and eventual demolition of buildings, we have policies and guidelines to manage, monitor and review our impact and performances. These aid our continual improvement and transition to a circular economy in the future.

ENVIRONMENTAL CONSERVATION

Studying Environmental Impact, Protecting Biodiversity

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

We are deeply rooted in our commitment to minimise and mitigate the impacts of our developments on the natural habitats of wildlife and to protect biodiversity. We are committed to preserving biodiversity particularly when we develop on greenfield sites.

Since 2010, CDL has practised Biodiversity Impact Assessments (BIA) for new construction sites on a voluntary basis. BIA helps to determine if any plant or animal life of national conservation importance exists at the intended development site and makes recommendations for environmental mitigation if necessary.

We raised the bar when we developed the new Forest Woods condominium in 2016. We voluntarily conducted an environment study similar in scope to an Environmental Impact Assessment. The three-month study was tailored to determine the environmental baseline of the site, and to understand the environmental impacts that may arise from demolition and construction activities. Environmental indicators such as wind, lighting and shading effect of the new development, water quality, air quality, noise production, waste management from the construction activities, and the biodiversity of existing flora and fauna were studied.

36 species of animals and 31 species of plants were identified, with the Black Morinda trees observed to be the rarest in Singapore. In consideration of the conservation importance of this rare flora species, CDL has moved the two Black Morinda trees on site to a nursery. Further action will be taken to transplant them back to the original site upon completion of the development.

NATURAL CAPITAL

SUSTAINABLE RESOURCE MANAGEMENT

Responsible Material Use and Green Procurement

Development and management of buildings involves an extensive use of materials and waste generation. Hence, we set clear guidelines and specifications on the procurement of materials and construction management to reduce the overall

impact of our projects across their life-cycle. We also acknowledge that the use of virgin materials can impact the environment and human health. By specifying the use of sustainable and non-toxic building materials in our developments, we can deliver environmental, social, and business benefits.

Beyond adopting good practices in our operations, CDL has had a set of green procurement specifications

to promote responsible sourcing along our supply chain since 2008. The guidelines encourage the use of eco-friendly and recycled materials, in alignment with our corporate environmental, health and safety (EHS) Policy. An example is the use of non-toxic materials like low volatile organic compounds paint. All our builders, suppliers and vendors of new development projects are required to comply with these guidelines.

Top Five Building Materials

| 2015 | | 2016 | |
|-------------------------|----------------|---------|----------------|
| Granite | 209,714 tonnes | Granite | 237,226 tonnes |
| Sand | 146,639 tonnes | Sand | 195,699 tonnes |
| Cement | 73,231 tonnes | Cement | 90,648 tonnes |
| Steel | 26,254 tonnes | Steel | 36,709 tonnes |
| Granite or marble tiles | 6,881 tonnes | Timber | 5,418 tonnes |

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

For the Singapore Sustainability Academy, which started construction in 2016, at least 80% of the structure was built with Cross Laminated Timber (CLT) and Glued Laminated Timber (Glulam). CLT in particular is harvested from sustainably managed forests. Both CLT and Glulam used in the construction of the Academy were verified by the Nature's Barcode™ system as coming from responsible sources. The system entails scientific tests like DNA analysis to minimise the risk that the wood materials are derived from illegal logging activities.

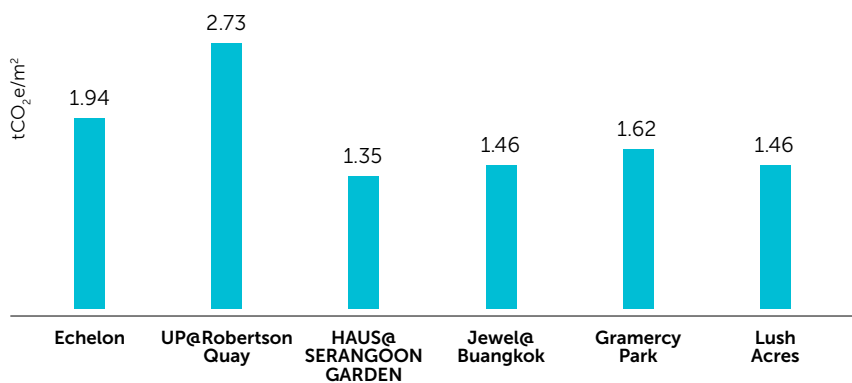
Embodied Carbon

Beyond CDL's key business activities, we are aware that there are associated energy and carbon emissions from materials that we use. This energy and carbon comes from the extraction, processing, manufacture and transportation of the materials and are considered to be 'embodied' within the building. The whole life carbon of the building consists of both the embodied

carbon and the carbon associated with operations (cooling, powering, providing water etc). Understanding the relationship between 'embodied' carbon and 'operational' carbon can assist in determining the optimum overall carbon reduction of the building from a lifecycle perspective.

To evaluate the environmental footprint of our buildings, CDL started to track the embodied carbon present

Embodied Carbon Emissions Intensity



Note: Any variance in data from CDL Annual Report 2016 is due to updates following the external assurance of this Integrated Sustainability Report.

in materials used in our completed developments. Based on the materials list from development projects completed in 2016 and the Building and Construction Authority (BCA) Carbon Calculator¹, the embodied carbon emission intensity for each of our projects was derived.

With a better understanding of our embodied carbon emission intensity from projects completed in 2016, CDL aims to account for our materials intensity and embodied carbon emissions when considering our total carbon footprint.

CLIMATE CHANGE AND EMISSIONS

In Singapore, the building and real estate sector is responsible for as much as 25.7%² of electricity consumption. The sector is also projected to contribute about 13.8%³ of Singapore's 2020 Business-As-Usual (BAU) greenhouse gas (GHG) emissions. As a major developer and manager of property assets, CDL is committed to low-carbon operations through actions outlined in our Climate Change Policy on page 34.

The world experienced record high temperatures in 2016. The extent of Arctic sea ice, a key climate change indicator, is estimated to cover 40% less area now than it did 40 years ago and is declining at a rate of 13.4% per decade. As Singapore is a low-lying and densely populated island, the projected continued increase in average temperatures and rise in sea levels may pose a risk to our core activities. More frequent warmer days will result in increased use of air conditioners,

leading to declining air quality in cities. Resulting implications for the property sector include increased demands on ventilation and air conditioning equipment, as well as higher operating costs due to greater plant wear and tear and rising energy consumption.

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

Measuring and Reducing Carbon Emissions

To track and mitigate our climate impact, CDL established targets to reduce our carbon emissions⁴ intensity by 22% by 2020 and 25% by 2030, below BAU levels from 2007. In 2016, CDL achieved a reduction in total carbon intensity emissions by 16%.

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

Since 2009, CDL has also voluntarily reduced our annual carbon emissions to 'net zero' for our Corporate Office operations including our data centre and 11 Tampines Concourse – the first

CarbonNeutral[®] development in Singapore and Asia Pacific. Besides carbon neutralising the construction phase of 11 Tampines Concourse, we also annually offset emissions from its operations, including that of our tenants.

Increasing Accountability and Disclosure

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

Due to CDL's ongoing overseas diversification strategy, there has been a higher frequency of business travel. As a result, air travel from our Corporate Office has been increasing since 2014. However, we strongly advocate for communication via audio or video conferencing where possible to minimise overseas travel.

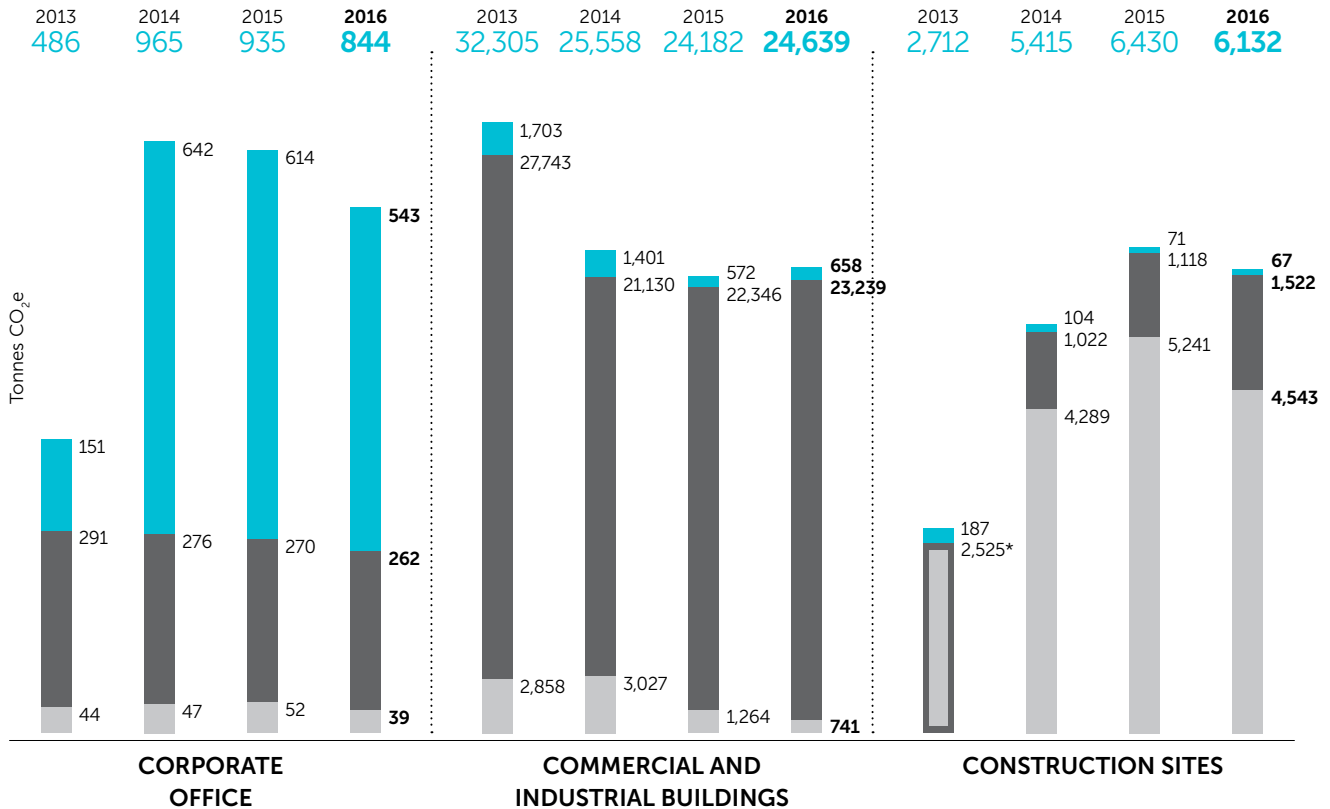
Since 2014, CDL has been tracking and reporting the carbon emissions of our key subsidiaries to ensure greater disclosure and accountability of the Group's carbon footprint. The following chart shows carbon emissions from over 130 hotels owned and managed by Millennium & Copthorne Hotels plc (M&C) in over 20 countries, CDL Hospitality Trusts (CDLHT), CBM Pte Ltd, City Serviced Offices (CSO), Le Grove Serviced Apartments as well as Tower Club.

1 The BCA Carbon Calculator uses a cradle-to-site system boundary
2 Source: Energy Market Authority, Singapore Energy Statistics 2016
3 Source: National Climate Change Secretariat website www.nccs.gov.sg
4 CDL's carbon emissions take into consideration all GHG emissions

NATURAL CAPITAL

Total Carbon Emissions from CDL's Core Business Operations in Singapore⁵

● Scope 1 ● Scope 2 ● Scope 3



46

Note:

- Scope 1 Includes direct emissions from fuel used in power generators, petrol for company vehicles, loss of refrigerant in air-conditioning systems and loss of insulating and arc quenching media in switchgear systems.
- Scope 2 Emissions reported are for activities in Singapore. Due to the lack of contractual instruments available in Singapore, location-based emissions and market-based emissions are the same. Includes indirect emissions due to purchased electricity consumed at CDL's Corporate Office, commercial, and industrial buildings as well as construction sites.
- Scope 3 Includes other indirect emissions arising from electricity transmission losses, local and international courier services, employee commuting, business air travel (excluding the influence of radiative forcing) and hotel accommodations, water supply and water treatment (excluding water treatment for property development sites).

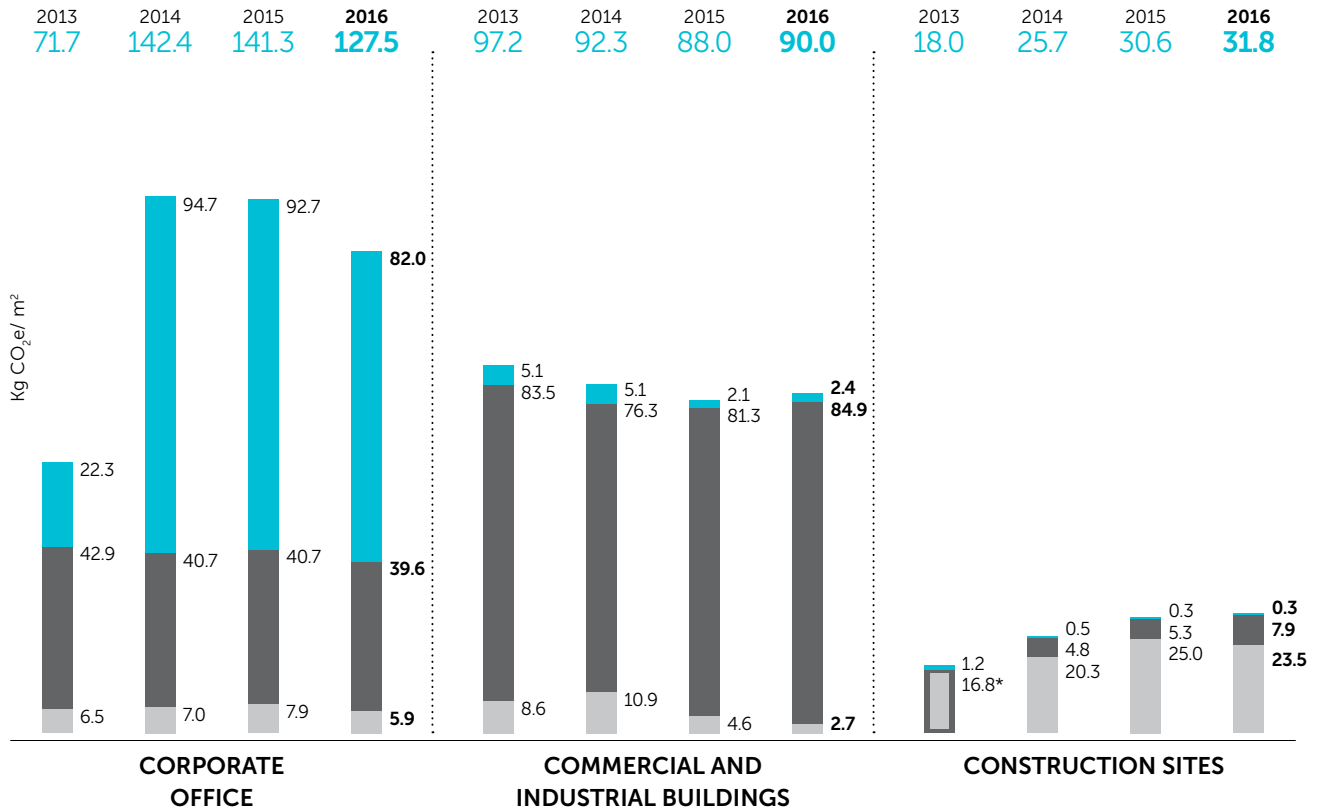
* Before 2014, scope 1 and 2 emissions were reported collectively.

⁵ Figures stated in charts in this chapter may not add up due to rounding of decimals



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

● Scope 1 ● Scope 2 ● Scope 3



Note:

- Corporate Office** CDL's Corporate Office in Singapore occupies approximately 6,618 m² across nine floors in City House and one floor in Republic Plaza. Measurement is applicable to all environmental performance reported in this section.
- Commercial and Industrial Buildings** In 2016, CDL managed 12 commercial buildings and three industrial buildings in Singapore, with an average monthly leased floor area of 247,106 m² and 26,644 m² respectively. Measurement is applicable to GHG calculations, with all other environmental performance reported using the total leased area. Data before 2014 includes two industrial buildings, Pantech 21 and New Tech Park which were divested in November 2013.
- Construction Sites** While carbon emissions due to construction activities at CDL's construction sites are a result of contractors' direct and indirect emissions, CDL recognises the significant environmental impact of these construction activities. In 2016, CDL measured and monitored the environmental impact and performance of its 12 construction sites in Singapore with a gross floor area of 193,083 m² built for that year. Measurement is applicable to all environmental performance reported in this section.

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

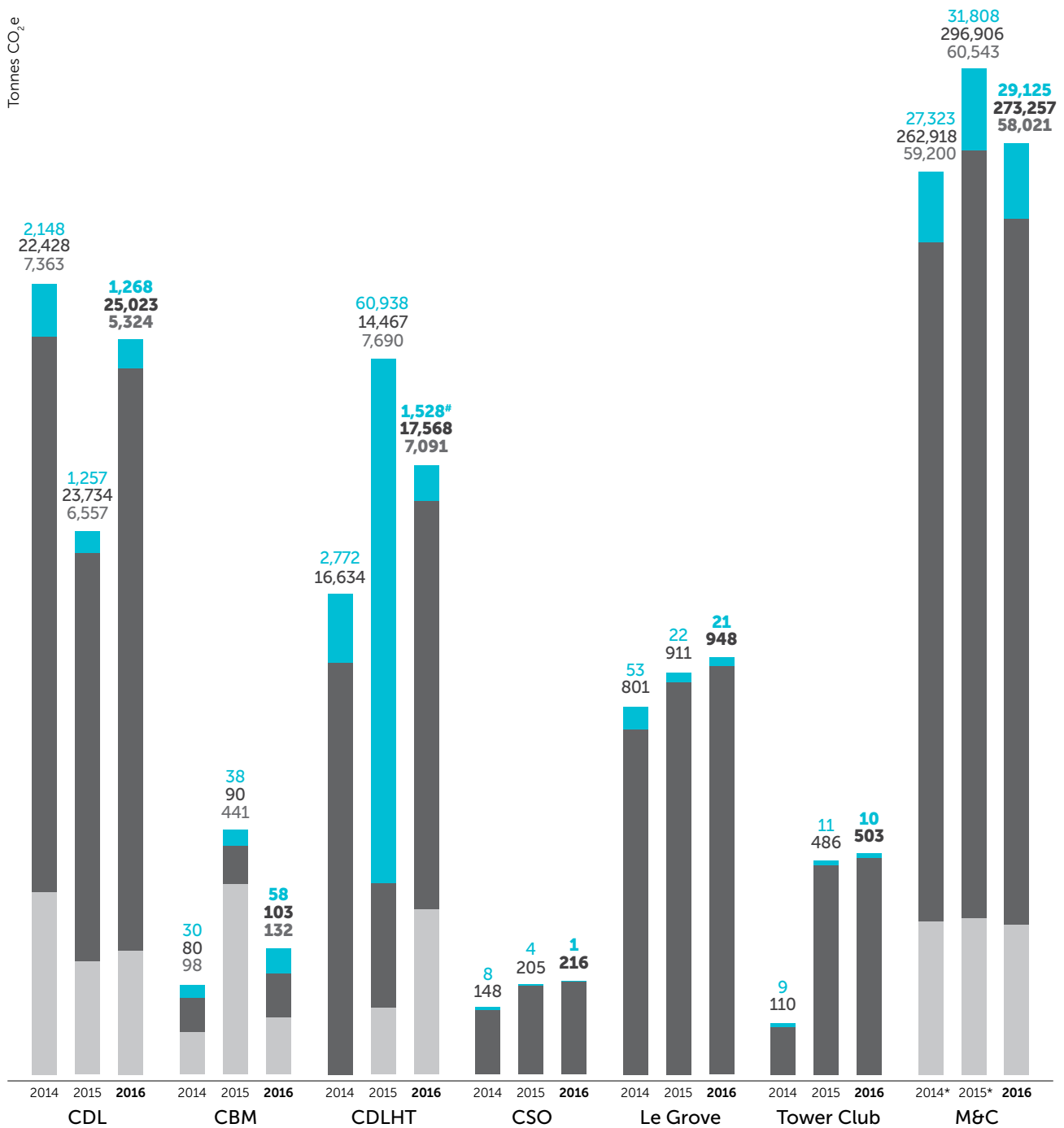
The largest source of emissions was electricity usage at CDL-managed commercial and industrial properties, which accounted for about 74% of the Company's carbon footprint in Singapore.

NATURAL CAPITAL



Carbon Emissions from CDL and Six Key Subsidiaries

● Scope 1 ● Scope 2 ● Scope 3 * Oct – Sep data # Excluding emissions from waste disposed



ENERGY MANAGEMENT AND EFFICIENCY

The use of energy in general creates emissions, whether direct or indirect, that will lead to global warming and air quality deterioration. The core activities of CDL's business are highly energy intensive, using both electricity from the grid and diesel. The extraction of fossil fuels causes depletion of natural resources and potential oil spills may threaten delicate ecosystems.

Electricity constitutes a significant proportion of our operating expenditure. Improvements in energy efficiency will thus enable us to reduce cost and improve our operational efficiency. Integrating energy efficiency considerations into the design and construction of our assets can also help to reduce the energy usage (and electricity costs) of our customers, tenants, and residents.

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

| Stage in Project Lifecycle | Energy Efficiency Focus | Benefits |
|----------------------------|---|--|
| Design | Maximise use of natural lighting and ventilation | Reduce electricity consumption |
| | Use of solar energy for common areas where applicable | Reduce reliance on the grid and lower carbon emissions |
| | Use of energy efficient lightings in all common areas | Reduce electricity use through energy efficient equipment or fittings |
| | Energy efficient home appliances to be included in the units | |
| Construction | Use of electricity directly from the power grid supply to reduce the use of diesel generators | Reduce emission levels of carbon, sulphur oxides, nitrogen oxides and particulates |
| Operation of Assets | Use of renewable energy where possible through installation of solar and Building Integrated Photovoltaic (BIPV) panels | Reduce reliance on fossil fuel energy |
| | Identify high energy usage installations to determine relevant initiatives, e.g. chiller upgrading or modernisation of lifts | Reduce electricity consumption through energy efficient equipment or fittings |
| | Use of Energy Management System programme to optimise chiller efficiency and Building Management System to control key equipment in buildings | Optimise key equipment's efficiency and reduce energy use |

CDL is committed to innovating, developing, and adopting energy efficient fittings and renewable energy solutions in our properties. This not only helps reduce electricity consumption, it also contributes to the industry's know-how in green innovations for a low-carbon future.

In 2014, CDL became the first developer in Singapore to achieve the

ISO 50001 Energy Management System (EnMS) certification for the provision of property and facilities management services in our managed buildings.

User behaviour has an impact on energy and resource consumption. As an asset owner, CDL has been actively engaging our tenants on the importance of energy conservation. In partnership with Tuas Power, an

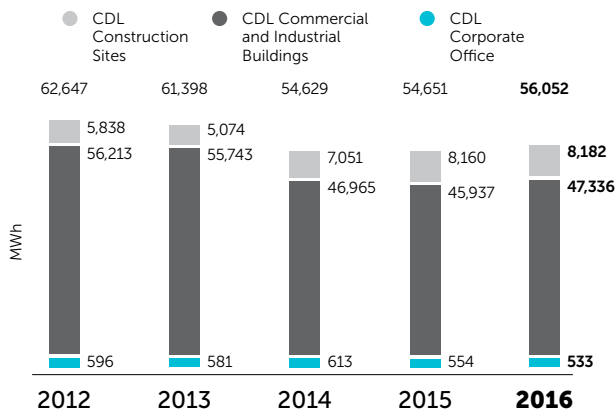
Automated Meter Reading portal was introduced in 2014 for our tenants to monitor their electricity use on a near real-time basis. This empowers our tenants to better track their energy consumption, as what gets measured, gets managed. In addition, incentives from both Tuas Power and CDL are provided to tenants who achieve substantial reductions in energy consumption.

NATURAL CAPITAL

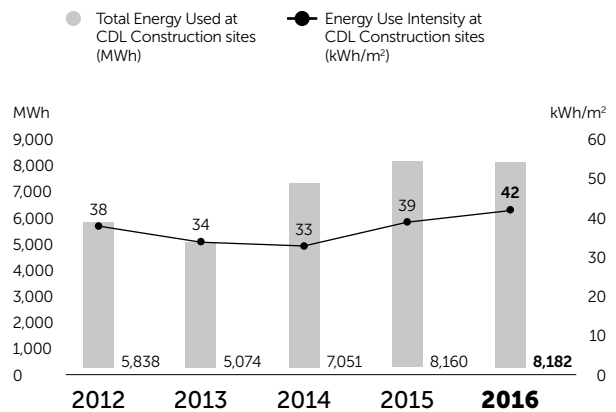
Key Energy Initiatives in 2016

| Energy Initiatives | Buildings | Savings |
|---|--|--|
| Chiller upgrading or improvement | Republic Plaza, City House, Fuji Xerox Towers, Palais Renaissance | 1,451,476 kWh/year, equivalent to more than \$270,000/year |
| Solar and BIPV panels | 7 & 9 Tampines Grande, City Square Mall, King's Centre and Quayside Isle | 193,886 kWh, equivalent to almost \$37,000 ⁶ |
| Energy efficient lighting | Fuji Xerox Towers, Manulife Centre, King's Centre | 60,859 kWh/year, equivalent to almost \$12,000/year |

Total Energy Used by CDL's Core Business in Singapore

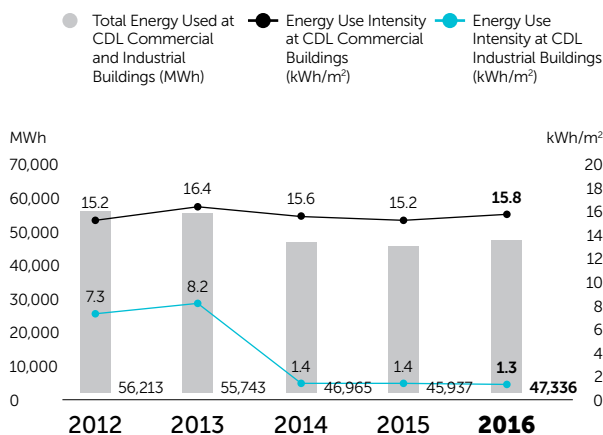


Energy Used at CDL Construction Sites



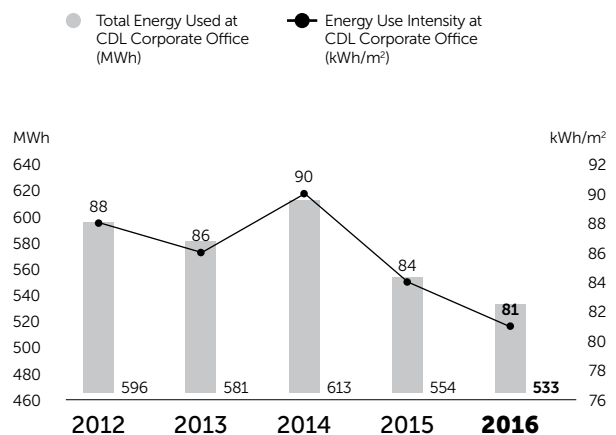
Note: Energy intensity figures for 12 CDL construction sites in Singapore are based on the built gross floor area for the projects in 2016.

Energy Used at CDL Commercial and Industrial Buildings



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

Energy Used at CDL Corporate Office



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

As a result of our energy-saving initiatives, CDL achieved a reduction of 24% in total energy usage intensity in 2016 across all CDL commercial and industrial buildings against 2007 levels.

In 2015, CDL introduced targets to reduce energy use intensity across our core business operations in Singapore by 22% by 2020 and 25% by 2030 from 2007 levels. For the

year in review, CDL achieved a 25% reduction in energy usage intensity, exceeding the original target set for 2030.

6 Average electrical tariff in 2016 was \$0.189. Source: www.spgroup.com.sg

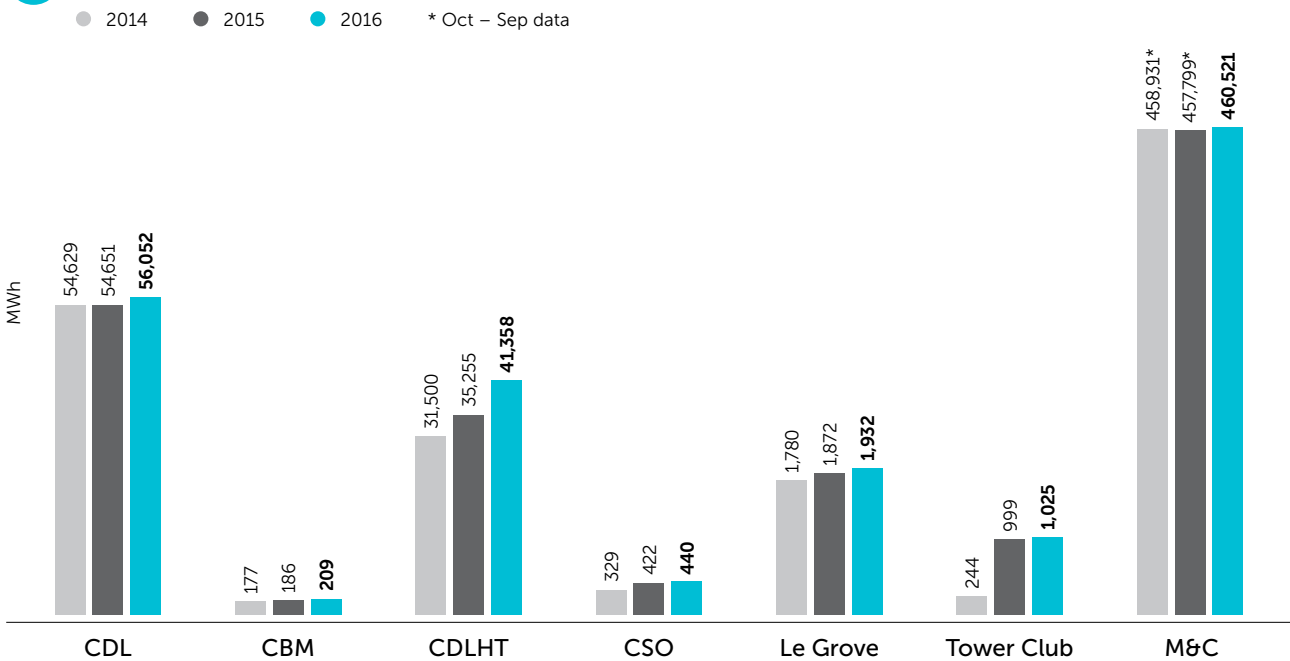
Energy Used in Key Subsidiaries

Similar to our reporting scope for GHG emissions of our headquarters' operations, CDL also reports on the energy data of our subsidiaries. The tracking and reporting of our

subsidiaries' energy data not only ensures greater disclosure and accountability, but also enables the Group to better manage energy usage as a whole. Given CDL's strong commitment to environmental protection and energy conservation, the behaviours

and practices of our subsidiaries are also of importance to us. The following chart shows the energy usage of CDL and six key subsidiaries, namely CBM, CDLHT, CSO, Le Grove, Tower Club and M&C.

Energy Used in CDL and Six Key Subsidiaries



WATER MANAGEMENT AND QUALITY

Water remains a scarce resource in Singapore and is essential for supporting life. It is an important resource that we have to manage and it plays an important role in creating attractive, healthy, and efficient green spaces in which our customers would want to live and work. However, the use of water in our business activities may reduce the availability of freshwater. Moreover, some of our core business activities result in degradative water use, and pollution may occur if the discharge is not managed properly.

With climate change and a rapidly growing population, the demand

for water is estimated to more than double by 2060. Singapore is likely to become one of the world's most water stressed countries⁷ come 2040. To combat this, the national water agency, PUB, has built a robust and diversified water supply known as the 'Four National Taps' to ensure water security for the nation. However, water scarcity is still a serious issue, and in 2017 water prices will increase for the first time in 17 years, going up by 30% over two phases.

Taking a strategic approach towards effective water management systems to minimise consumption and manage water quality is a key priority. We recognise the importance of effectively managing water consumption

and the quality of rainwater run-off leaving our project sites. We equally acknowledge the significant benefits that arise from a strategic approach to water management and quality, as they enhance the efficiency, resilience, desirability and long-term value of our assets and developments. Not only do they deliver significant benefits to the environment, but they also promote performance and cost efficiencies across our operations.

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

NATURAL CAPITAL

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

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

Within our key business activities, water pollution is of most significance, compared to other types of pollution. CDL has implemented a variety of Silt and Earth Control Measures at all construction sites to ensure that Total Suspended Solids (TSS) readings of the discharged water do not exceed the legal limit of 50 mg/litre. Beyond this, we also set targets below the legal limit for our ongoing projects. For example, in one of our recently awarded projects, we set a target of less than 40 mg/litre on the TSS reading of the effluent, highlighting our commitment to preventing pollution.

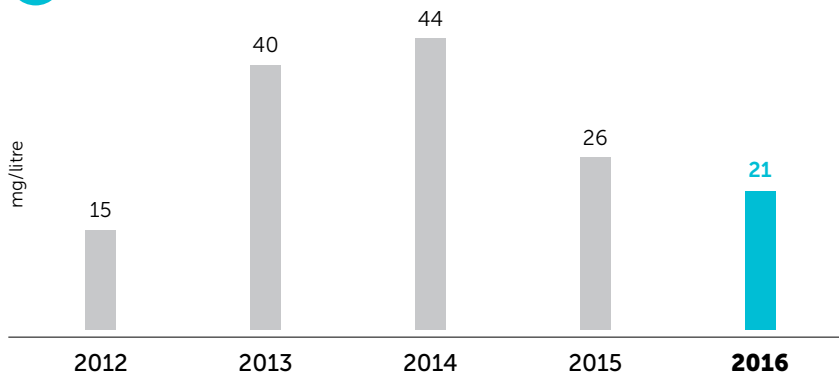
In 2016, the highest TSS level discharged across all our 12 worksites was 21 mg/litre, well below the legal limit.

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

Due to the higher water usage for development projects nearing completion in 2016, our water usage in construction sites increased by about 24% compared to 2015.

To manage our water usage, CDL has since 2015 established targets to reduce water use intensity by 22% by 2020 and 25% by 2030 against 2007 levels. We have so far achieved a 15% reduction in 2016, with more initiatives to be put in place to achieve our target by 2020.

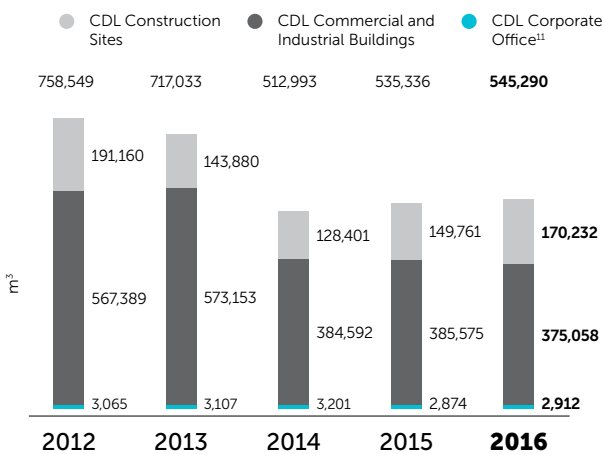
Highest TSS



Key Water Initiatives in 2016

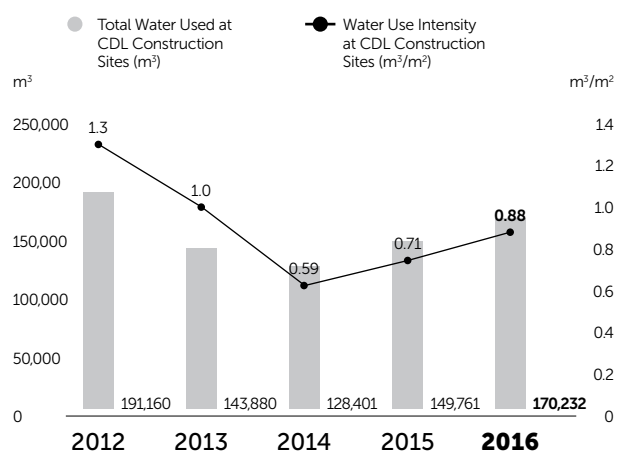
| Water Initiatives | Business Unit | Savings |
|--|------------------------------------|--|
| Use of recycled water for construction site activities | Projects Development | 167,982 m ³ , equivalent to almost \$350,000 ⁸ |
| Use of NEWater instead of potable water | Property and Facilities Management | Use of 133,140m ³ of NEWater, savings of more than \$40,000 ⁹ as compared to using potable water |

Total Water¹⁰ Used by CDL's Core Business in Singapore



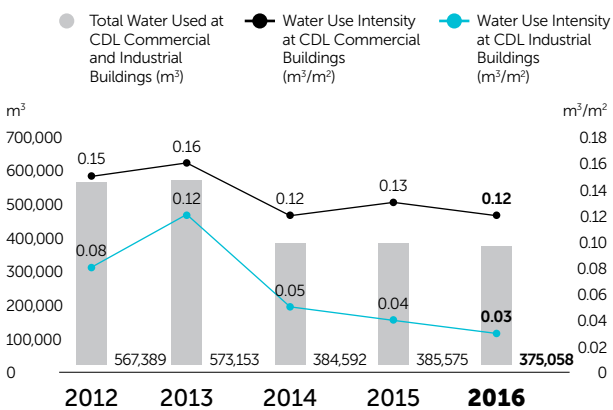
Note: Water intensity figures for CDL commercial and industrial buildings are based on the leased area of the buildings.

Water Used at CDL Construction Sites



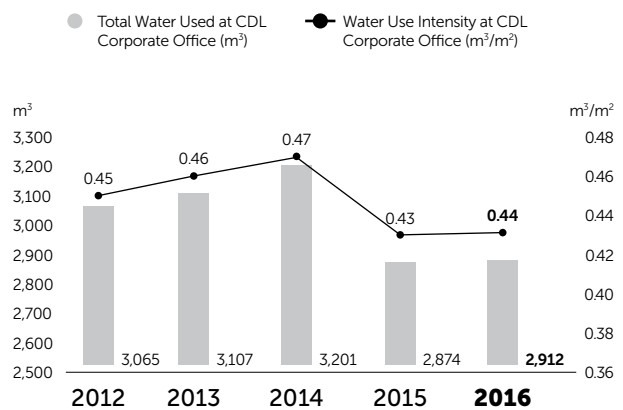
Note: 2016's water intensity figure is for 12 CDL construction sites in Singapore and is based on the built gross floor area for the projects in 2016.

Water Usage at CDL Commercial and Industrial Buildings



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

Water Used at CDL Corporate Office



⁸ Water tariff at \$2.0817 per m³ before GST, inclusive of water tariff, water conservation tax and waterborne fee. Source: www.pub.gov.sg

⁹ NEWater tariff of \$1.7807 per m³ before GST, inclusive of NEWater tariff and waterborne fee. Source: www.pub.gov.sg

¹⁰ Water used in Singapore, a highly water stressed country, is from the reservoir and considered as town water.

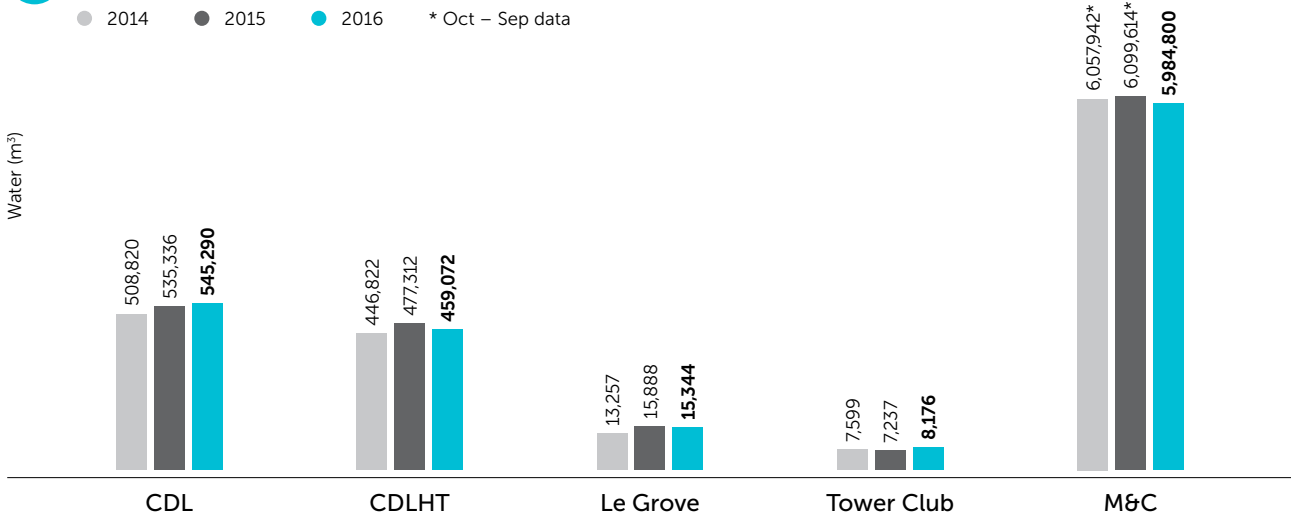
¹¹ CDL Corporate Office's water data is included in the data of commercial buildings.

NATURAL CAPITAL

Water Use in Key Subsidiaries

Similar in scope for GHG emissions and energy, we also report the water consumption data of our key subsidiaries.

Water Used in CDL and Key Subsidiaries



Note: CBM and CSO are tenants within a building and hence do not have separate meters to track respective water usage within their facilities

Waste Management

The way we generate, treat and dispose of waste has a strong impact on the environment and community-at-large. Waste breakdown in landfills contribute to carbon emissions and leachates may contaminate groundwater

and waterways, while incineration causes pollution issues and affects air quality.

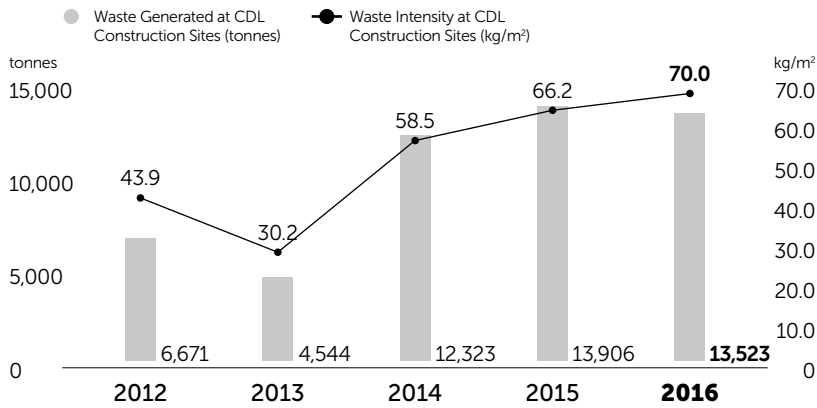
CDL remains steadfast in managing our waste efficiently and seeks to reduce, reuse, and recycle our waste whenever feasible. As a property developer and manager, the bulk

of the waste is generated by our builders and commercial tenants. Unless re-used, demolition at the end of a building's life cycle can produce significant waste for land disposal. To mitigate our impact on the environment, CDL has several strategies to practise the 3Rs in waste management:

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



Construction Waste Generated at CDL Construction Sites



Note: 2016's waste intensity figure for 12 CDL construction sites in Singapore are based on the built gross floor area for the projects in 2016.

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

All of CDL's generated waste at both the construction sites and managed buildings is non-hazardous and disposed of in accordance with the National Environment Agency's (NEA) waste regulations.

In 2016, construction waste generated at all CDL construction sites amounted to 13,523 tonnes, with a waste intensity of 70 kg/m². This is higher than the previous years as many of our construction projects in 2016 were nearing completion for handover to the homebuyers.

Waste Disposed of and Recycled at CDL Commercial and Industrial Buildings

In CDL-managed buildings, around 4,283 tonnes of general, non-hazardous waste were disposed, with about 704 tonnes of recyclable waste collected in 2016. 83% of the recyclable waste collected was paper.

Our paper recycling programme has seen increasing tenant participation from 68% in 2005 to 100% in 2016. Although lamps contain trace amounts of mercury, lamps that are available for sale in Singapore can be disposed of safely as general waste and thus not considered as hazardous. However, as a responsible corporate citizen, CDL actively collects lamps for recycling to conserve natural resources and to reduce contamination by mercury. Under the lamp recycling programme with Global Lamp Recyclers, 15,836 lamps weighing more than 1,753 tonnes were recycled in 2016.

INVESTMENT IN ENVIRONMENTAL PROTECTION

Testament to our commitment to environmental conservation, CDL established a minimum target for all new developments to be certified BCA Green Mark Gold^{PLUS}, two tiers beyond legislative requirements. To support this ambition, CDL typically invests 2% to 5% of a new development's construction cost in green design and features.

CDL also supports various non-governmental and grassroots organisations that drive environmental conversation and sustainability within the wider community. Additionally, we support youth-led environmental groups in eco-outreach and education initiatives. Some organisations that we have supported in the past include the Singapore Environment Council and Nature Society (Singapore).

Since 2015, CDL has donated up to \$100,000 every year to the North West Community Development Council's "Power Up Scheme". A three year programme, the scheme provides electricity bill rebate to low income households that have shown commitment towards reducing energy consumption. More information on CDL's partnerships and community investment in environmental conservation programmes can be found on pages 84 to 87.

NATURAL CAPITAL

ENVIRONMENTAL COMPLIANCE

CDL is committed to compliance with all applicable EHS legal requirements enforced by local governing authorities such as BCA, NEA, Ministry of Manpower, Singapore Civil Defence Force and other relevant enforcers. Through constant monitoring, evaluation, and auditing of our ISO 14001 and OHSAS18001 certified EHS management system, CDL actively ensures that all our activities and operations comply with existing regulatory requirements.

In 2016, 18 fines were imposed on our builders across 12 construction sites. Four were for vector breeding, five for working beyond allowable hours, five for performing construction activities above the noise limit, and four for workplace safety infringements.

To prevent future occurrences of non-compliance, we have reviewed and streamlined our current processes to improve and tighten

the procedures at construction sites. Since 2005, we have been incentivising our builders to uphold high EHS standards through the CDL 5-Star EHS Awards and monetary rewards. From 2013, a penalty system has been imposed on builders of all new developments for any EHS infringements. This was formulated as part of an ongoing review of our system and process to maintain good EHS performance.

As a responsible corporate citizen, we provide avenues for the public to raise enquiries or complaints on EHS matters. Phone hotlines managed by our appointed builders are set-up for all construction sites.

In 2016, across our 12 ongoing sites, we had one complaint regarding dust from construction activities affecting nearby residents. The contractor has since put in controls in the area surrounding the construction site to prevent further incidences of dust nuisance to the community.

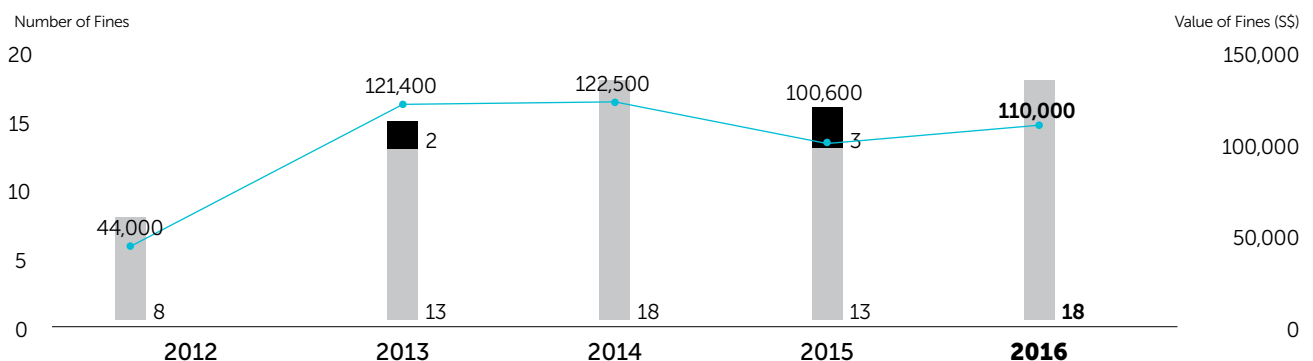
Managing Construction Noise

In Singapore, NEA regulates the noise levels from construction sites with a set of permissible noise limits that vary depending on the time of the day and neighbouring premises. To protect nearby residents, we place emphasis on our builders to comply with the construction noise limits at all our construction sites.

To minimise noise-related complaints, our builders are encouraged to put in place an active management programme and to take all necessary action to address and resolve related complaints. As part of our efforts to keep the community informed about project statuses, schedules of the construction process at each site are communicated with a view to inform the community about works that might affect them. More details on our public communications can be found on page 83.

EHS-Related Fines

● CDL Construction Sites ● CDL Commercial and Industrial Buildings ● Value of Fines (S\$)



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

MOVING FORWARD

In natural resource scarce Singapore, the efficient management of available resources will continue to be a pressing issue. The impending carbon tax and increased water prices are examples of government measures that will significantly impact business cost.

CDL is aligned with Singapore's goal of becoming a climate resilient city and the growing international focus on low-carbon economies. As such, we have adopted the Sectoral Decarbonisation Approach (SDA) to raise our carbon emission reduction target. The SDA is a climate science-based method to limit the rise of global temperatures to 2°C above pre-industrial levels. With this approach, we have revised our target of reducing our carbon emissions from 25% to 38% by 2030 against 2007 levels in support of Singapore's commitment to the Paris Agreement and the country's Climate Action Plan.

In 2017, CDL will also place greater emphasis on waste management, given the fact that the nation's only landfill Pulau Semakau will run out of space by 2035. In line with the vision of the Sustainable Singapore Blueprint for our nation to achieve zero-waste, CDL has set a target to decrease waste disposal levels by 5% against 2016 figures, and increase the level of waste recycling to 5% of total waste disposed in 2017.

Our enhanced environmental targets are outlined in our newly launched sustainability blueprint – CDL Future Value 2030, which can be found on page 15 of this report.

By strengthening our natural capital, we are well poised to future-proof our business against emerging regulatory developments and rising resource costs. Our strong environmental credentials will also enable CDL to capitalise on the growing green financing and sustainable investment markets, to generate value for our shareholders and other stakeholders.



BUILDING GREEN INFRASTRUCTURE

MANUFACTURED CAPITAL

More than just a developer of living spaces, we pride ourselves as a builder of lives and communities. For more than 20 years, CDL has championed groundbreaking innovation and set green building benchmarks to keep us ahead in a highly competitive market. Our quality, sustainable and resilient spaces have strengthened our manufactured capital, enabling us to not only create enhanced value for our business, investors and customers, but also support economic development and the well-being of the communities we operate in.

By 2030, almost 60% of the world's population will live in urban areas. While cities occupy just 3% of the Earth's land, they account for up to 80% of the world's energy consumption and 75% of carbon emissions¹. These pose challenges to the way our cities can continue to create jobs and prosperity, given the constraints of land and resource scarcity.

As a leading provider of urban residential and working spaces, CDL is well-poised to leverage our green building expertise to harness efficiency gains through technological enhancement and innovation.

Over the years, CDL's green building efforts have translated to tangible benefits for our business. From 2012 to 2016, we achieved savings of more than \$16 million as a result of the energy-efficient retrofitting and initiatives implemented for eight CDL-managed office buildings, directly contributing to CDL's financial bottom line.

As of December 2016, CDL has amassed a portfolio of 87* Green Mark certified developments and office interiors awarded by the Building and Construction Authority (BCA). Besides tangible cost savings and priceless reputational gain, our pursuit of green spaces supports the Sustainable Development Goals (SDG 11) to make cities inclusive, safe, resilient and sustainable.

CHAMPIONING GREEN BUILDINGS

For over a decade, the Company has been investing between 2% and 5% of a new development's construction cost on green building design and features.

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

Our steadfast commitment to green buildings has strengthened our licence to operate against the backdrop of emerging regulatory changes, and enabled CDL to be recognised as the built industry leader.

Since 2011, CDL has set a minimum target for all its new developments to be certified BCA Green Mark² Gold^{PLUS}, two tiers beyond the mandatory Green Mark certification level. Today, more than 70% of CDL's portfolio of Green Mark

certified developments and properties are rated Green Mark Gold^{PLUS} and Platinum – the highest tier certification.

For the full list of CDL's Green Mark awarded developments and office interiors, please refer to page 65.

Our green building credentials also helped to enhance our product differentiation and desirability. Eco-features and resource saving benefits are added to our marketing collaterals to strengthen the marketability of our quality green homes and offices.

Greening Existing Buildings

Besides new developments, CDL has set the pace for greening our existing buildings. A 2016 study by BCA³ on 101 retrofitted buildings revealed an average total annual electricity savings of 17%, equivalent to about \$51 million in savings each year.

Since 2004, CDL has retrofitted all of our existing commercial and industrial buildings by upgrading chiller plants, introducing motion sensors, installing energy-efficient lighting, and recladding facades. On average, these efforts have yielded an estimated annual energy savings of around 16.2 million kWh, equivalent to more than \$3 million⁴ in 2016.

As a result of these initiatives, 10 of our commercial buildings were certified Green Mark Platinum for improved environmental performance during the re-certification process.

For more details on CDL's energy management initiatives in 2016, please refer to page 50 on Natural Capital.

* Include subsidiaries and associated companies

1 Source: www.un.org/sustainabledevelopment

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

3 Source: BCA Building Energy Benchmarking Report 2016 at www.bca.gov.sg

4 Average electricity traffic in 2016 was \$0.189. Source: www.singaporepower.com.sg

MANUFACTURED CAPITAL

GREEN LEASE AND TENANT ENGAGEMENT

Beyond focusing on building infrastructure, we recognise that CDL can work with our commercial tenants to play a bigger role in the green building movement, in line with BCA's 3rd Green Building Masterplan.

Tenant and occupant activities within a building can account for close to 50%³ of the total electricity consumption of a building. Hence, enabling our commercial tenants to adopt low-carbon and energy-efficient practices not only helps them to lower their carbon footprint, but also achieves utility savings for CDL's asset management.

Since 2014, we have implemented the CDL Green Lease Partnership Programme to support our commercial tenants in reducing their energy consumption and environmental footprint. As of December 2016, over 95% of our existing tenants have pledged their commitment by signing a Green Lease Memorandum of Understanding. We further supported our tenants' green practices through various end-user initiatives.

More than 25% of the tenanted spaces in our commercial properties have been certified under the BCA Green Mark Scheme, including office interiors, retail, supermarkets and restaurants as of December 2016.

In recognition of our concerted commitment and sterling success in encouraging tenants towards environmentally-friendly efforts, CDL emerged as the only developer to receive BCA Green Mark Pearl Prestige Award for two consecutive years. In 2016, this top-tier accolade was awarded to 7 & 9 Tampines Grande, developed and managed by CDL, for outstanding commercial tenant engagement. The Green Mark Platinum building embraces one of the largest and most extensive use of solar technology in a commercial property in Singapore.

In addition, 11 Tampines Concourse and Central Mall (Office Tower), also developed and managed by CDL, were winners of BCA Green Mark Pearl Awards 2016. 11 Tampines Concourse, the first CarbonNeutral[®] development in Singapore and Asia Pacific, is a Green Mark Gold^{PLUS} building, while the Central Mall (Office Tower) is a Green Mark Platinum building. In total, CDL is the most-

awarded developer in the Green Mark Pearl category, winning three out of the five awards given out in 2016.

Spotlight

Empowering our Tenants for BCA Green Mark Office Interior Certificate

NCR Asia Pacific, a tenant at 7 & 9 Tampines Grande, leveraged on CDL's green initiatives and attained Green Mark Office Interior Gold certification in 2016. CDL fitted the perimeter lights of NCR Asia Pacific's office with photocell sensors, which reduce their energy consumption and increase utility savings. NCR Asia Pacific is also a participant of CDL's paper and lamp recycling programme, whereby CDL has created collection points within the building for tenants to place used paper and lamps for recycling.

1. CDL Green Lease Ambassadors

- Provide tenants with guidance on 'greening' their offices through advice on energy and water conservation measures and indoor greenery
- Act as consultants for BCA Green Mark Office Interior certifications and CDL-pioneered Project: Eco-Office.

2. Digital Energy Monitoring Portal in Partnership with Tuas Power

- Provide real-time half hourly updates of energy consumption
- Enable tenants to better track and manage energy usage

3. Electricity Rebate to Tenants

- Reward tenants with a 1% electricity rebate when they attain a 2% savings over the previous quarter's bill

DELIVERING UNCOMPROMISED QUALITY AND STANDARDS

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

Established in 1989, the BCA Construction Quality Assessment System (CONQUAS)⁵ has been the industry benchmark for quality and workmanship standards of construction projects in Singapore. Although it is not mandatory for private sector projects to subscribe to CONQUAS, CDL has consistently put in our best efforts to submit all our projects for assessment since the inception of the system.

Our promise to deliver quality green homes and commercial spaces was re-affirmed when CDL was once again awarded the Quality Excellence Award – Quality Champion (Platinum) by BCA in 2016, earning us the distinction of being the only developer to have received this highest honour for four consecutive years.

CREATING SAFE AND HEALTHY SPACES

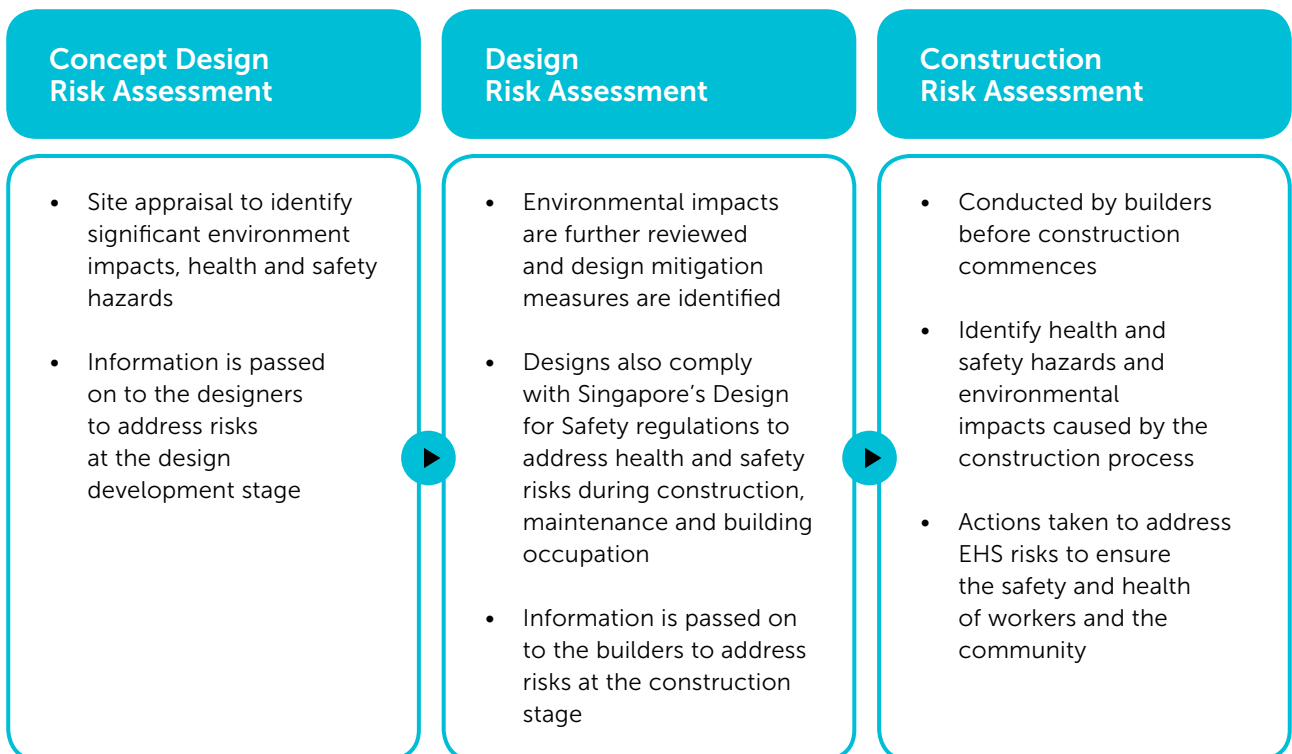
As a developer and manager of residential and commercial spaces, it is our utmost responsibility to ensure the safety and well-being of our homebuyers, tenants, shoppers, and even the community in the vicinity of our buildings.

In 2016, there was no incident of non-compliance with health and safety voluntary codes and standards such as OHSAS 18001 at CDL's developments or managed properties.

Ensuring Safe Design and Construction

We place great emphasis on the structural stability of our buildings, fire and emergency safety compliance, as well as the integrity of building materials. Qualified professionals such as architects, engineers and technical supervisory staff are engaged to monitor construction to ensure they are built in accordance with building regulations and codes. Our builders are expected to meet CDL's high standards in terms of the quality, safety and sustainability for our developments.

As part of CDL's environmental, health and safety (EHS) Management System, we have put in place a process where safety and health hazards are identified, reduced and mitigated during key stages of a property development to safeguard the health and safety of workers on-site and the public in proximity.



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

MANUFACTURED CAPITAL

Protecting Customers' and Public Safety and Health

As a responsible facility manager, CDL actively identifies the significant hazards and manages the risks in all CDL-managed commercial buildings. To ensure the safety and security of our commercial tenants and the public, every building is under the care of a Complex Manager who oversees its daily operations with a team of full-time service providers, and a range of safety and security measures.

| Measures | Coverage and Features |
|--|---|
| Security and Loss Prevention | <ul style="list-style-type: none"> • CCTV monitors • 24-hour security guards • Emergency management procedures – review and improve continually |
| Emergency Response Plan | <ul style="list-style-type: none"> • Covers building-related emergencies such as flu epidemic outbreaks, fires, and major electricity outages • Flood management response plan (since 2012) • Fire drills – two mandatory every year • Table-top exercises – two annually • Flood drills • Terrorist threats response plan |
| Lifts and Escalators – Preventative Maintenance Regime | <ul style="list-style-type: none"> • In compliance with latest mandatory safety standards and stringent codes of practices • Engages only licenced contractors to perform the maintenance and inspections • Incident reporting process • Rectification procedures – e.g. equipment is taken out of service until problems are addressed and deemed safe for use again |

On top of the day-to-day cleaning services, as well as the maintenance of good sanitation and indoor air quality, CDL also takes care of the health and well-being of our tenants and their employees through a series of health-related activities and programmes jointly organised with the Health Promotion Board. More details of our workplace well-being programmes can be found on pages 78 to 79.

PIONEERING SUSTAINABLE BUILDING INNOVATIONS

As Singapore's third largest contributor of carbon emissions, the built sector consumes close to 40% of electricity⁶ and employs

326,700 foreign workers⁷. As part of our long-term strategy for environmental and supply chain management, CDL has invested in sustainable and more productive building methods to mitigate the challenges of skilled labour shortage and rising cost of resources.

Raising Productivity through Technologies

In 2014, CDL became the first developer in Asia to adopt the advanced construction technology, Prefabricated Prefinished Volumetric Construction (PPVC) for our 638-units The Brownstone Executive Condominium (EC) – likely the world's largest application of concrete PPVC for a large-scale private residential development.

The game-changing technology is expected to raise productivity by over 40%, on top of creating a safer construction site and reducing waste.

The adoption of PPVC technology follows CDL's success in pioneering the Prefabricated Bathroom Units (PBUs). The use of PBUs improves construction productivity by up to 80% and reduces construction waste while improving water tightness of the bathrooms. To date, CDL has installed more than 10,000 PBUs in our residential developments.

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

6 Source: BCA Building Energy Benchmarking Report 2015 at www.bca.gov.sg

7 Source: Ministry of Manpower foreign workforce (construction sector) statistics as of June 2016

Investing in Future Technologies

In support of the national vision for a smarter, greener, and more liveable Singapore, CDL invested \$2.25 million in a R&D collaboration with National University of Singapore's School of Design and Environment to catalyse innovations in smart and climate-resilient building technologies. Through two first-of-its-kind programmes – NUS-CDL Smart Green Home and NUS-CDL Tropical Technologies Laboratory (T² Lab), CDL will continue to champion leading-edge innovations which can be test-bedded in our future developments. These technological solutions will enhance value to our homebuyers and tenants by addressing their future lifestyle needs in an inclusive and urbanised environment in the tropics.

| | |
|----------------------------------|--|
| NUS-CDL Smart Green Home | <p>Objective: To harness research in developing innovative solutions to create homes that are safe and secure, healthy and comfortable, and acoustically pleasing</p> <ul style="list-style-type: none"> • Advanced research and education facilities for the experimentation and implementation of technologies leading to a smart community and nation • Re-configurable structure to enable comparative research through flexible experimental setup, testing and monitoring • Ideas that can be tested here include energy efficiency, quality of indoor environment and sustainable home of the future • A showcase to facilitate visits by students and industry collaborators |
| NUS-CDL T² Lab | <p>Objective: To enable researchers to examine integrated technology solutions for people-centric, climate responsive buildings of the future</p> <ul style="list-style-type: none"> • Possible studies include examining biomimicry building envelope devices and systems for harvesting of energy from renewable resources (such as sun, wind and daylight); solar control and shading; vertical and edible garden; solar chimney; and smart building materials • Test-bed to explore how architecture and building design deal with extremities of weather, air pollution, and rising sea water levels • Designers and building scientists could also explore new ideas and concepts to innovate existing building designs to address environmental challenges that threaten liveability, comfort, well-being and health, in an intensified, compact urban environment like Singapore |

Innovating for a Smart and Liveable City

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

Smart solutions are also introduced at CDL-managed commercial and retail buildings. Some of our smart initiatives include:

| Building and Coverage | Initiative | Features and Benefits |
|---|------------------------------------|---|
| Forest Woods (under development) | Smart Home Technology in all units | <ul style="list-style-type: none"> • Smart Home Centre (Lite) controls smart devices and sensors installed easily • Smart Door Sensor monitors the opening of doors for added security • Smart IP Camera monitors what is happening at home when residents are away • Smart Lighting Control and Air Conditioner Control automates lights and air-conditioning remotely |

MANUFACTURED CAPITAL

| Building and Coverage | Initiative | Features and Benefits |
|--|--|--|
| Echelon (completed in 2016) | Home Energy Monitoring System (HEMS) – first-of-its-kind smart home solution prototyped in collaboration with Daiwa House from Japan | <ul style="list-style-type: none"> Monitors home energy usage Controls air-conditioners and lighting usage via hand-held smart devices like iPads Home users can programme alerts that are triggered via email or short message service (SMS) if their energy usage exceeds pre-determined limit Offers greater convenience and proactive energy management |
| H ₂ O Residences (completed in 2015) | Digital Smart Signage introduced in lift lobbies and club house | <ul style="list-style-type: none"> Offers easy content management Instant broadcast of important estate messages via multimedia Eliminate usage of paper versus traditional notice boards |
| All CDL commercial and retail properties | Chiller Plant Optimisation System | <ul style="list-style-type: none"> Tracks performance and makes adjustments automatically according to the parameters Ensures optimal efficiency at all times |
| City Square Mall Republic Plaza | Web-based Remote Monitoring System for Chiller Plant Performance | <ul style="list-style-type: none"> Operators can remotely receive and monitor first-hand information of chiller system performance System enables proper actions to be taken when deviation is detected Drawing from our experience, we have embarked on an extended pilot with BCA for a chiller efficiency smart portal. Progressively, more buildings will be added to this pilot project. |
| City Square Mall Fuji Xerox Tower King's Centre Palais Renaissance Republic Plaza Tagore 23 | Carpark Lighting Motion Sensors | <ul style="list-style-type: none"> Auto dimming of carpark lighting to 30% during low usage Lights will turn up to 100% when sensors detect movements |

PROMOTING SOCIAL INCLUSION THROUGH UNIVERSAL DESIGN

Since 2011, CDL has been committed to building socially inclusive green spaces with a Universal Design Policy. Apart from supporting Singapore's vision of building an inclusive society, our initiative also contributes towards Goal 11 of UN SDGs in providing universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities, by 2030.

Our principle of 'designing for all people' across all our projects goes beyond the minimum requirements specified in the Code of Barrier-Free Accessibility by BCA and the mandatory requirements of Universal Design. Details on CDL's Universal Design Policy can be found on page 36.

In 2016, CDL's H₂O Residences and The Palette were recognised with the BCA Universal Design Mark Award – Gold^{PLUS} for imbuing user-centric philosophy into its design, operations and maintenance. The Rainforest EC also received the Universal Design Mark Award – Gold.

MOVING FORWARD

Digital disruption and the emergence of sharing economy have affected conventional businesses in office and residential lease. To stay relevant in today's fast-evolving business landscape, CDL has leveraged our strong financial capital and enterprise agility to invest in new business models and innovate product offerings to capitalise on opportunities in these rapidly growing sectors.

Following our investment in mamahome, the fast-growing Chinese online apartment rental platform with more than 150,000 apartment listings in 20 China cities in September 2016, we further announced in January 2017 our investment in China's leading co-working space operator Distrii which plans to expand in global gateway cities. Marking its first international foray, Distrii will create one of the largest co-working facilities in Singapore. The co-working space, spanning over 60,000 sq ft at CDL's flagship Republic Plaza in the heart of the city's Central Business District, is slated to open in 2018.

The new ventures are expected to bring in fresh revenue streams to complement our existing lines of business where CDL's resilient foundation was laid more than 50 years ago.

BCA GREEN MARK AWARDS* (2005 TO 2016)

Green Mark Platinum

- 7 & 9 Tampines Grande (in new and existing building categories)
- 368 Thomson
- Central Mall (Office Tower)
- CDL Green Gallery @ Singapore Botanic Gardens Heritage Museum
- City House
- City Square Mall (in new and existing building categories)
- Cliveden at Grange
- Cube 8
- Echelon
- Eling Residences (Chongqing)
- Fuji Xerox Towers
- Gramercy Park
- Grand Copthorne Waterfront Singapore
- H₂O Residences
- Haus@Serangoon Garden
- Hundred Trees
- King's Centre
- Lush Acres
- M Social Singapore
- Manulife Centre
- My Tree House @ Central Public Library
- Palais Renaissance
- Quayside Isle
- Republic Plaza
- South Beach Tower
- South Beach Residences
- The Glyndebourne
- The Oceanfront @ Sentosa Cove
- The Residences at W Singapore – Sentosa Cove
- The Solitaire
- The Venue Residences and Shoppes
- Tree House
- Volari
- W Singapore – Sentosa Cove

Green Mark Gold^{PLUS}

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

Green Mark Gold

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

Green Mark Certified

- Butterworth 33
- City Serviced Offices at Tampines Grande (Office Interior)
- City Serviced Offices at City House (Office Interior)
- Central Mall Management Office (Office Interior)
- Fuji Xerox Towers Management Office (Office Interior)
- Manulife Centre Management Office (Office Interior)
- Pantech 21 (sold in November 2013)
- 7 & 9 Tampines Grande Management Office (Office Interior)
- The Pier at Robertson

Green Mark Pearl

- City House (Prestige)
- Central Mall (Office Tower)
- Manulife Centre
- 11 Tampines Concourse
- 7 & 9 Tampines Grande (Prestige)

* Includes subsidiaries and associated companies

** Project managed by CDL



REMUNERATION
AND WELFARE



HUMAN
RIGHTS



FAIR LABOUR
PRACTICES



WORKPLACE
HEALTH AND SAFETY



EQUAL
OPPORTUNITY



BUILDING OUR PEOPLE

HUMAN CAPITAL

An organisation is often said to be only as good as its people. The level of commitment, skillset and quality of employees is therefore critical to a company's success.

We believe in building engaging careers so that our employees can grow with the company. Our Human Resource (HR) policies and initiatives are geared towards creating a competent, caring and inclusive workplace. It aims to foster human development and well-being, drive employee productivity and satisfaction, and reward stellar performance. Through proactive engagement, talent development and retention, fair labour practices and competitive remuneration, we strive to remain as an employer of choice.

Beyond caring for our direct employees, we recognise that workers at our construction sites and commercial properties are vital to our day-to-day operations. While they may not operate directly within our immediate realm of responsibility, this has not prevented us from being a strong advocate to guide and influence our builders and contractors to care for workers' safety, health and well-being along our value chain.

HEALTH AND SAFETY

In addition to workplace safety, we place great emphasis on the health and well-being of our employees, customers and suppliers. Ergonomics, stress, and anxiety significantly impact work quality, employee satisfaction and retention, which ultimately affect organisational performance.

In line with our corporate environmental, health and safety (EHS) Policy, key performance indicators (KPIs) were identified with targets established and reviewed annually to monitor our EHS performance. This is to ensure that we achieve a consistently high EHS standard across the organisation. More details on our EHS Policy can be found on page 34.

As early as 2003, we received the Occupational Health and Safety Assessment System (OHSAS) 18001 certification for the successful implementation of the management system at all our property developments. In 2016, we implemented an EHS Management System that covers 100% of our key operations in Singapore and we achieved the OHSAS 18001 certification in March 2017.

Safety at Construction Sites

All our builders are required to have an accredited safety and health management system. This is a prerequisite in the tenderer shortlisting process. We actively engage our builders and consultants on health and safety matters through risk reviews and their EHS performances are monitored through our CDL 5-Star EHS Assessment System.

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

In 2016, CDL brought together 24 of our key builders and consultants to sign the 'Pledge Towards Vision Zero Through Safe Design-Safe Practices-Safe Culture', in support of the Construction Industry Workplace Safety and Health (WSH) Actions Plans. This followed two similar rounds of pledge signing initiated by CDL in 2010 and 2014. More information on CDL's advocacy of health and safety along our value chain can be found on page 84.

As a result of various safety initiatives and engagement programmes with our builders and their workers, we have maintained zero fatalities and occupational diseases at CDL's construction sites in 2016.

| Year | Fatalities | Occupational Diseases |
|------|------------|-----------------------|
| 2016 | Zero | Zero |
| 2015 | Zero | Zero |
| 2014 | Zero | Zero |

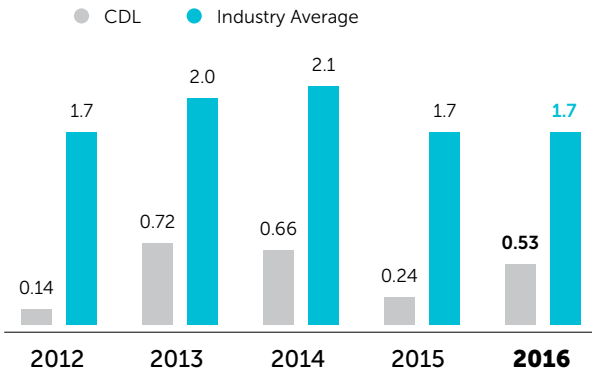
The Accident Frequency Rate (AFR)¹ and Workplace Injury Rate (WIR)² at CDL's construction sites also remained way below the construction industry average.

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

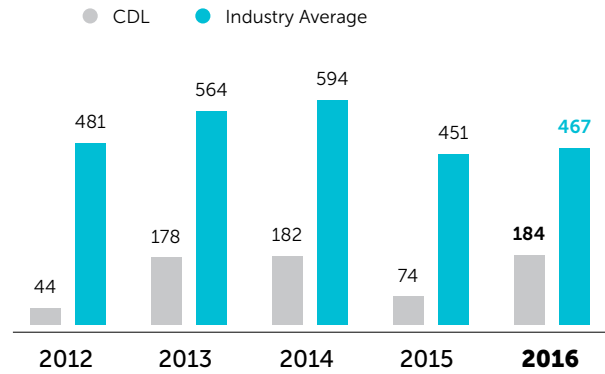
2 WIR refers to the number of fatal and non-fatal workplace injuries per 100,000 persons employed. Figures used are victim-based. For details, please refer to www.mom.gov.sg.

HUMAN CAPITAL

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



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



There were 10 reportable work-related accidents sustained by male workers at our construction sites in 2016. Our builders received four fines for workplace safety and health related non-compliance. Even though the accidents and non-compliance are a result of lapses in our builders' site practices, CDL is fully committed to working with them to continually improve safety and health conditions at the construction sites.

More details on CDL's engagement programmes with builders to uphold health and safety standards at our construction sites can be found on page 79 to 80.

Safety at Managed Properties

Facilities management and maintenance are vital in delivering efficient, reliable and prompt services expected by our commercial tenants and retail customers, as well as ensuring the operational efficiency of our commercial assets which contribute to our bottom line. We therefore

place great emphasis in influencing our contractors to uphold a safe and healthy work environment for workers in our managed buildings.

For the year in review, there were no fatalities, incidents of injury or occupational diseases involving the workers of our key contractors³ at CDL managed properties.

Safety at Corporate Office

In 2016, there were zero fatalities and occupational diseases involving our employees in our corporate office. However, there were six reportable injuries with loss of work-days. One of which was a non-work related injury. In addition, there was one injury notified without loss of work day.

Due to the relatively small workforce in our corporate office, the safety statistics may seem much higher than the industry average of Real Estate activities reported by the local WSH Institute⁴. By proactively tracking and taking accountability of reportable incidents, it helps to

create awareness on the importance of a safe and healthy workplace to prevent future occurrences.

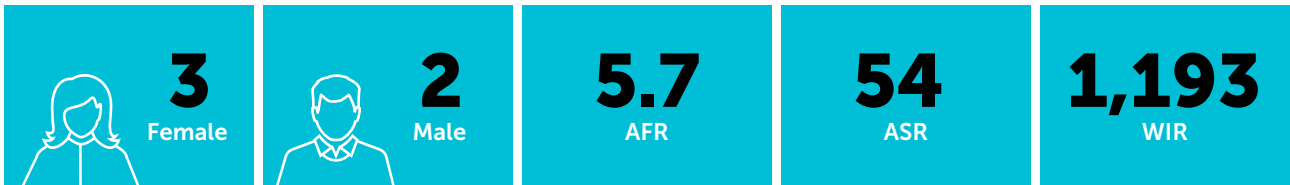
16.5% of the employees at our corporate office are involved in workplace health and safety committees. Initiatives and activities planned by these committees are part of a continual process to protect and promote the health, safety, and well-being of all employees, and hence the sustainability of our workplace.

Healthier Workplace

To promote healthy living, active lifestyle and emotional well-being amongst CDL's employees, our HR department and employee-led Workplace Health Programme Committee organised an array of activities in 2016.

³ Key contractors in our managed buildings provide cleaning, security services and mechanical and engineering support.
⁴ Based on 2016 statistics provided by WSH Institute. For more information, please visit www.wsh-institute.sg.

▶ **Number of Work-related Lost-time Injuries Reported in Corporate Office: 5**



Health-related Programmes

1. Free annual basic health screenings for all employees during work hours
2. Discounted health screening programmes for the family members of our employees
3. Bi-monthly healthy snacks to promote better consumption habits
4. Regular lunch time talks on joint pain management, cancer fighting diets, hypertension prevention and personal grooming
5. Fitness classes including yoga, pilates, stair-climbing, dragon boating, bowling, table tennis, jogging and futsal

Assistance for Emotional Well-being

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

Over the past three years, the average number of medical leave taken per employee per year have maintained at approximately four days.

In 2016, we have started to review the Accident Severity Rate (ASR)⁵ of our employees at corporate office to evaluate the number of work days lost as a result of accidents.

Going forward, we have established KPIs to measure health and safety across our corporate office and core operations in Singapore, including project developments and property and facilities management. Specific health and safety goals and targets have been incorporated under our new CDL Future Value 2030 blueprint on page 15.

JOB CREATION AND EMPLOYMENT

CDL adheres to the Tripartite Guidelines on Managing Excess Manpower issued by the Ministry of Manpower (MOM) and its tripartite partners, Singapore National Employers Federation and the National Trades Union Congress. The company supports and shares a similar philosophy as the Tripartite Guidelines, which strongly encourage companies to manage excess manpower and consider reorganisation as a last resort. The Guidelines also suggest providing company retraining programmes for workers, redeployment of

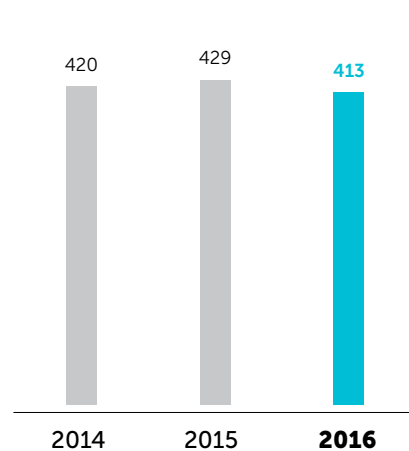
workers to alternative areas of work, implementing shorter work weeks, temporary layoffs, flexible work arrangements, and managing wage costs through a flexible wage system.

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

Our Employees

As at 31 December 2016, CDL has a total 413 employees. Close to 7% of our employees are hired on permanent contract basis.

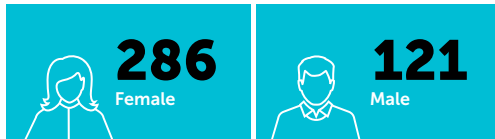
▶ **Total Number of Employees**



5 ASR refers to the number of man days lost to workplace accidents per million manhours worked. Figures used are accident-based. For details, please refer to www.mom.gov.sg.

HUMAN CAPITAL

▶ Number of Full-time Employees Total: 407



▶ Number of Permanent Employees Total: 380



▶ Number of Part-time Employees Total: 6

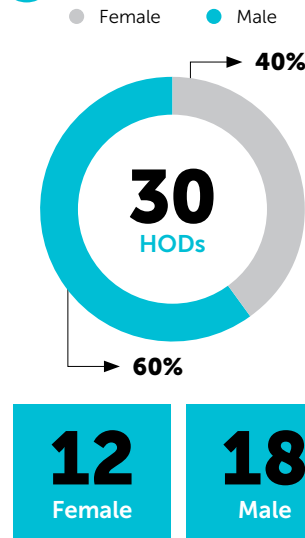


▶ Number of Temporary Employees Total: 33

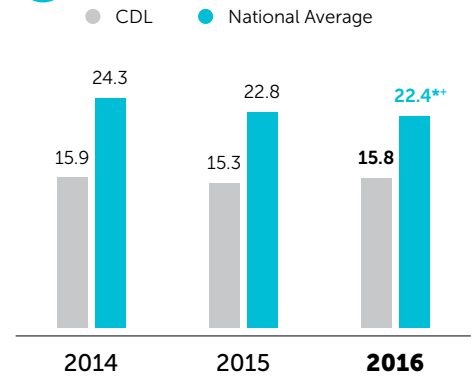


93% of the Heads of Departments (HODs) are Singaporeans or Permanent Residents, hired from our local community. In 2016, 40% of our HODs were female.

▶ Gender of HODs (%)



▶ Employee Turnover Rate (%)



* Computation of annual employee turnover is based on cumulative monthly attrition rate derived from the number of resignations for the month / headcount for the month found on the Ministry of Manpower website.

** Using National Average as at 2016

Employee Retention

CDL's successful employee engagement is evident from our employees' length of service. The average tenure of our employees is about 9.4 years and more than 55% of our employees have been with CDL for more than five years. CDL's employee turnover rate of 15.8% continued to remain significantly lower than the national average of 22.4% in 2016.

70

BENEFITS AND WELFARE

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

Pro-family Benefits

CDL provides benefits and adopts welfare practices in line with the Singapore government's

pro-family legislation. Mothers and fathers whose children are Singapore Citizens at birth get to enjoy maternity leave of 16 weeks and paternity leave of two weeks respectively, as advocated by the government. CDL also provides eligible employees with childcare leave and extended childcare leave.

Male employees are also entitled to shared parental leave whereby they can choose to share one week of the 16 weeks of maternity leave, subject to the agreement of the mother, if the mother qualifies for Government-Paid Maternity Leave.

In 2016, 14 eligible female CDL employees utilised their maternity benefits and all 14 employees returned to work after their

maternity leave. Three eligible male employees used their paternity leave benefits.

93 CDL employees (28 male, 65 female) with at least one Singapore Citizen child under the age of seven were entitled to six days of paid childcare leave in 2016. In addition, 39 employees (nine male, 30 female) with at least one Singapore Citizen child aged seven to 12 years were entitled to two days of paid extended childcare leave in 2016.

Flexible Work Arrangements

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

Full-time employees can convert to working part-time, and enjoy similar benefits as full-time employees on a full or pro-rated basis. In 2016, six employees worked on a part-time arrangement.

FAIR REMUNERATION

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

Performance-based Appraisal

As a company committed to meritocracy, our rewards and compensation policies emphasise on employees' performance. This is judged not only on what employees achieve in the review period, but also on how it is achieved. Our employees received regular performance and career development reviews in 2016. Our performance management process was reviewed periodically to incorporate employees' feedback and enhancements to the system.

Competitive Remuneration

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

Environmental, Social and Governance (ESG)-Linked Remuneration

CDL recognises that inclusion of appropriate ESG issues within executive management goals and incentive schemes is an important factor in promoting greater recognition of and accountability in our CSR practices. Since 2015, CDL has established stronger linkages between employee and executive remuneration and our corporate sustainability performance. ESG indicators that are aligned with global standards such as ISO 26000, ISO 140001 and GRI Standards, to name a few, have been incorporated in the individual goals setting of all employees, including senior management.

Central Provident Fund (CPF) Scheme and Contributions

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

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

- **Retirement Plan**
To ensure sufficient savings to see CPF members through their retirement
- **Healthcare Plan**
To ensure sufficient savings to meet members' medical needs in their old age
- **Home Ownership Plan**
To ensure a property that is fully paid-up when members retire
- **Family Protection**
Several schemes and insurance plans such as the Dependents' Protection Scheme, Home Protection Scheme, catastrophic medical insurance scheme and even severe disability insurance scheme to protect CPF members and their families

- **Asset Enhancement**

CPF members have the choice to decide for themselves how to invest their CPF savings and what risks to accept, to ensure their financial security

CDL assists employees in making monthly contributions which are deducted from their monthly gross salaries and deposited into their CPF accounts, as required by law. For staff aged 55 and below, beyond employees' contribution of 20%, CDL contributes an additional 17% as an employer, making a total monthly contribution of 37% to the employee's CPF account.

Our comprehensive HR practices and policies can be found on www.cdlsustainability.com

- Human Rights
- Learning and Development
- Talent Acquisition and Retention
- Diversity and Equal Opportunity

MOVING FORWARD

From 2017, CDL will be implementing the Balanced Scorecard management system that enables our organisation to set, track, and achieve our key business strategies and objectives. The four perspectives – financial, customer, internal control, learning and growth – of the Balanced Scorecard are necessary for today's business executives and managers to better plan, implement, and achieve business success.

In addition, CDL will also implement the SAP SuccessFactors Performance and Goals, as well as the Compensation module. The Performance and Goals module will help employees and managers align individual goals to company business objectives, which supports the Balanced Scorecard initiative. The Compensation module will provide the organisation with a tool for communicating and reinforcing the philosophy and guidelines of incentivising performance.



BUILDING OUR COMMUNITIES

SOCIAL & RELATIONSHIP CAPITAL

Through active engagement, we have fostered goodwill with our stakeholders and strengthened our social license to operate in domestic and international markets.

To CDL, social and relationship capital is an intangible asset built through the partnerships forged with our stakeholders to generate shared value for all. Through active engagement, we have fostered goodwill with our stakeholders and strengthened our social license to operate in domestic and international markets.

Our leadership and track record in eco-developments and corporate citizenship have put CDL on the global map of sustainability. This has helped us attract not only like-minded partners and investors, but also a growing pool of consumers who consider responsible practices vitally important. The trust we have built with our stakeholders goes beyond our shores to help CDL gain foothold as we expand our global footprint.

Anticipating and meeting the needs of our stakeholders are thus of

utmost importance in supporting the company's sustained growth. As such, we invest considerable resources in building strategic People, Private and Public (3P) collaborations. These collaborations aim to benefit our business and stakeholders, as well as deliver positive impact for our community and environment in support of both global and national goals for sustainable development.

Our stakeholders are those who have a considerable influence on our business, and whom our business has a significant impact on. We have identified employees, customers, builders and suppliers, and investors as our key stakeholders. Other stakeholders include regulators and key government agencies, non-governmental organisations (NGOs), the media, and our community. Our stakeholder groups are clearly defined on page 16.

STAKEHOLDER ISSUES OF INTEREST

| Stakeholder Groups | Engagement Platforms | Issues and Concerns | Addressed in our Sustainability Report |
|--------------------|---|--|--|
| Employees | <ul style="list-style-type: none"> Regular dialogue sessions, town halls and forums fronted by Senior Management CDL 360 – Company intranet Daily news bulletin Staff Connect – an inter-department committee that organises company-wide activities to foster work-life balance and reinforce team spirit Frequent employee activities Biennial Employee Engagement Survey Employee Assistance Programme (counselling service) Employee grievance handling procedures City Sunshine Club (CSC) – employee volunteering platform | <ul style="list-style-type: none"> Corporate direction and growth plans Job security Remuneration and benefits Career development and training opportunities Workplace health and safety Labour and human rights Work-life balance Employee volunteerism | <ul style="list-style-type: none"> Organisational Capital Human Capital Social and Relationship Capital |

SOCIAL & RELATIONSHIP CAPITAL

| Stakeholder Groups | Engagement Platforms | Issues and Concerns | Addressed in our Sustainability Report |
|------------------------|--|--|---|
| Customers | Homebuyers <ul style="list-style-type: none"> Integrated customer and call centre TOP* welcome parties Green Living Guides Defects management tracking app Post-TOP customer satisfaction surveys Show suites feedback | <ul style="list-style-type: none"> Quality and workmanship Design and features Product safety Defects rectification Customer service and experience Resource efficiency and utility savings Environmental conservation | <ul style="list-style-type: none"> Manufactured Capital Social and Relationship Capital Natural Capital |
| | Tenants <ul style="list-style-type: none"> CDL Green Lease Partnership Programme CDL Green Lease Ambassadors Green fitting out kits Project: Eco-Office kits Recycling programme 1°C Up campaign Healthy Workplace Ecosystem Health screenings Annual tenant satisfaction surveys Tenant engagement/ networking events | <ul style="list-style-type: none"> Green building and office interior certifications Green leases Workplace safety and health Management of facilities Customer service and experience Resource efficiency Environmental management, education and advocacy | <ul style="list-style-type: none"> Manufactured Capital Social and Relationship Capital Natural Capital |
| Builders and suppliers | <ul style="list-style-type: none"> Policies including climate change, environmental, health and safety (EHS), human rights and universal design Supplier Code of Conduct Green procurement specifications CDL 5-Star EHS assessment Quarterly seminars and peer sharing Annual EHS Awards Annual CDL EHS Cup soccer league Declaration of EHS commitment through letter and pledge-signing EHS risk assessments at concept, design and construction stages Construction vision casting Biannual vendor evaluation | <ul style="list-style-type: none"> Legal compliance Quality and design Safety of infrastructure and managed facilities Productivity Innovation Workers health and safety Labour practices and welfare Human rights Social inclusion Resource and waste management Sustainable procurement | <ul style="list-style-type: none"> Organisational Capital Manufactured Capital Human Capital Social and Relationship Capital Natural Capital |

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

| Stakeholder Groups | Engagement Platforms | Issues and Concerns | Addressed in our Sustainability Report |
|---|--|--|--|
| Investors, analysts and media | <ul style="list-style-type: none"> Annual General Meetings Biannual financial results briefings and webcasts Quarterly financial results Presentations Regular analyst and investor meetings Post-results luncheons Non-deal roadshows Conferences, meetings and site visits Media releases and interviews Annual reports Integrated sustainability reports Quarterly publications, e.g. City News Company website and email alerts Sustainability microsite Project launches Timely response to environmental, social and governance (ESG) rating agencies and analysts Global sustainability rankings and indices | <ul style="list-style-type: none"> Growth trajectory Acquisitions and expansion Market diversification Risk management Corporate governance ESG indicators Climate change and carbon pricing strategies Sustainability performance and tracking Reporting standards Advocating green consumerism and lifestyles | <ul style="list-style-type: none"> Financial Capital Organisational Capital Social and Relationship Capital |
| Government agencies and regulators | <ul style="list-style-type: none"> Senior management representation on boards of various industry bodies Participation in tri-sector and sustainability-related consultations and dialogues Long-standing partnership of various national programmes Thought leadership in support of public policies and regulations pertaining to sustainability, green buildings and reporting | <ul style="list-style-type: none"> Development of green buildings Programmes to cultivate responsible workplace practices Advocating green consumerism and lifestyles Sharing of industry best practices Regulatory development towards low-carbon economy Promoting sustainability reporting in Singapore Advocating ESG integration with financial reporting Promoting workplace health and safety | <ul style="list-style-type: none"> Manufactured Capital Social and Relationship Capital |
| Community | <ul style="list-style-type: none"> Public communications plan with residents within a 100-metre radius of our new developments Builders' contact details displayed at construction sites for public feedback Participation in sustainability-related conferences/forums Consultation and dialogues with academics, NGOs and business associations Annual reports Integrated sustainability reports Company website Corporate advertisements Collaborations with charity and NGOs partners for community development Universal design for homes and offices | <ul style="list-style-type: none"> Social inclusion Ethical marketing practices Proactive communication on CDL's development plans and construction works Environmental conservation Youth development Promoting the arts Helping the elderly and children in need Sustainability thought-leadership and advocacy | <ul style="list-style-type: none"> Social and Relationship Capital |

SOCIAL & RELATIONSHIP CAPITAL

STAKEHOLDER ENGAGEMENT

Employees

Organisational knowledge and innovation – key factors to building our competitive advantage – are built and achieved through a stable workforce. Consistent engagement of employees forms the foundation of CDL's long-term strategy for human capital development. Our initiatives to recruit and retain employees and develop their competencies are addressed in the Human Capital section, from pages 69 to 71. The following sections will focus more on our key internal staff engagement initiatives.

Regular Communication and Survey

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

Our Company intranet – CDL 360 provides an interactive platform for employees to receive and share information more readily and promptly, and contains key information such as employment terms, benefits, and corporate policies. The intranet encourages employees to connect and discuss work-related issues or topics of interest, building stronger relationships within the organisation.

Through regular communication sessions such as dialogue with Senior Management and internal platforms comprising various working committees, CDL ensures that employees' views are always heard. Through the dissemination of City News – CDL's quarterly publication that provides updates on corporate happenings, daily news bulletins,

e-posters of employee activities, CSR News, webcasts of financial results briefings and Annual General Meetings, as well as circulars via CDL 360, employees are informed of the Company's business developments and activities. For more information, please refer to page 31.

Managing Employee Grievances

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

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

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

Respecting Freedom of Association and Collective Bargaining Rights

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

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

Advocating Greener Employee Lifestyles

To promote greener habits among employees, CDL organises regular in-house environment-related talks and activities, with various lifestyle angles and hands-on components. Examples of such engagement activities organised in 2016 include an Earth Hour movie screening, soap making workshop and lunch time talk on climate change.

Customers

Our ability to remain financially viable is very much dependent on customer satisfaction and our ability to meet customer demand for our products and service. As such, CDL regularly engages homebuyers and tenants to understand their concerns and needs.

Delivering Exceptional Customer Experience

In 2001, CDL was the first property developer to set up an integrated customer and call centre. We believe that word-of-mouth is one of the primary factors behind purchasing decisions, and customers who receive a positive experience from us will become advocates of our brand.

From the first step into a CDL show suite to the handover of keys, we aim to provide the support that homebuyers require to make their purchasing process a pleasant experience. Customers can easily contact us through various channels, mainly the hotline, site offices, and through our website. Customer-specific information on the progress status of projects under construction and related

correspondence are also available on a secured online platform.

We have a structured approach to review feedback and resolve complaints. Follow-up actions are then closely monitored and reviewed regularly at inter-departmental meetings.

Engaging Homebuyers on Sustainable Living

In 2004, CDL launched the Let's Live Green! eco-home initiative for our newly completed residential properties. As part of the initiative, homeowners receive a Green Living Guide, designed specifically to provide eco-friendly tips for a green lifestyle. It also contains information on the green features found in the individual property units and the common areas. In 2016, 1,640 Green Living Guides were distributed to homeowners.

Measuring Customer Satisfaction to Improve Service Delivery

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

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

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

For example, progressive upgrading of toilets was in the pipeline for our industrial buildings in 2016 following feedback from tenants of City Industrial Building. To cater to the needs of a tenant whose clients are predominantly wheelchair bound, plans had also been made for one of the ground floor toilets in City Industrial Building to be converted to a handicap-friendly one. As a result of our efforts to listen and respond to our tenants' feedback, the tenant satisfaction of our industrial buildings hit 100% for the first time. The excellent relationship reflected by the high satisfaction level showcases the effectiveness of our feedback

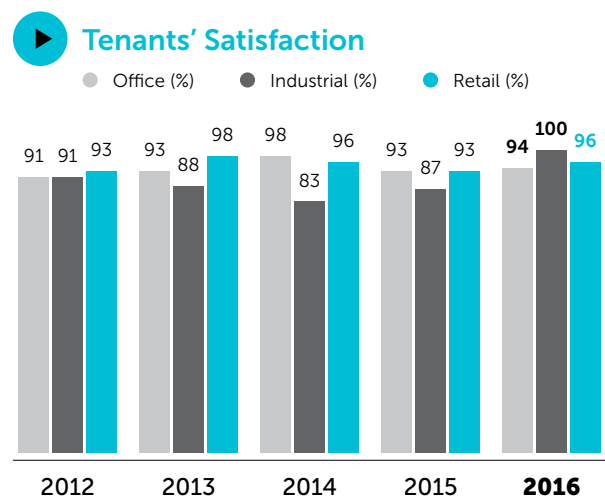
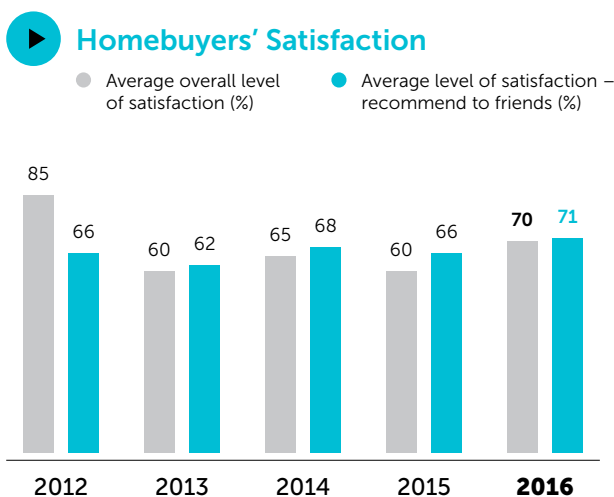
system, and the value that can be generated for both the Company and our tenants.

At City Square Mall, sustainable solutions to improve toilets with high usage have also been implemented. Such upgrading initiatives have helped enhance the value and marketability of the properties.

In 2016, customer satisfaction surveys were conducted for two of our residential developments and an average of 24.2% of homebuyers participated. Our homebuyers were surveyed on levels of satisfaction with their entire experience, ranging from a property's finishes and workmanship, overall construction quality, green features provided in the home, facilities and landscaping at common areas, and management of defects rectification.

The average satisfaction level amongst all homebuyers surveyed was 70% in 2016. In addition, 71% of homebuyers have indicated that they would recommend CDL properties to their friends and relatives.

Apart from existing homebuyers, CDL also solicits feedback from potential homebuyers who visit our projects' show suites. Respondents' feedback on the quality and finishes



SOCIAL & RELATIONSHIP CAPITAL

of the show suites, apartment configuration preferences, and service standards, are invaluable to our design refinement and project planning process.

As part of the quality assurance process, homebuyers are provided with a proper platform to give feedback on defects in their unit. Defects reported are rectified within 30 days, where possible.

CDL's Customer Service Department introduced the Novade Track app for homeowners in 2015. This defect management app simplifies the process of reporting and tracking defects by allowing homeowners to lodge defect reports, submit photos of the defect and track the rectification work through their mobile phones. The data on the reported defects are then shared with contractors, making rectification follow-ups more efficient. At the end of the process, homeowners may sign off on the rectification works via the app after a joint inspection with our Customer Service Officers.

Having a consolidated portal with all defect reports increases the productivity and accuracy of data, as CDL employees are now not required to input defects manually, as is the traditional method of defect management. It also ensures a better customer experience and higher service standard due to the ease of reporting and tracking throughout the whole process.

In 2016, the Novade Track app was implemented for Jewel@Buangkok, Lush Acres and Echelon – projects that obtained TOP in 2016.

As at 31 December 2016, close to 60% of defects reported were rectified within 30 days. For defects not rectified within 30 days, many were often due to reasons such as

deferral at homeowners' request, or unavailability of required materials due to delayed shipment.

As a result of our Customer Service Department's attention to addressing feedback on defects, we have received positive feedback from homebuyers complimenting staff for their high service standards. 73% of the homebuyers from our annual customer satisfaction surveys indicated their satisfaction with the defects management.

Safeguarding Customer Privacy

CDL protects the privacy and confidentiality of our customers' information. In addition to internal policies and procedures designed to safeguard customer information, CDL does not divulge or sell such personal information to third parties for marketing or promotional purposes. Our approach to personal data management is spelt out in the CDL Personal Data Policy which is publicly accessible on our website and outlined on page 34.

All employees are guided by CDL's Code of Business Conduct and Ethics, and the Company will mete out strict disciplinary action for any breach of customer confidentiality. In 2016, there were zero complaints regarding breach of customer privacy or loss of customer data.

Engaging Tenants on Resource Efficiency

Findings from the Building and Construction Authority (BCA) Building Energy Benchmarking Report 2016 have shown that tenant electricity usage accounts for close to 50% of electricity consumption in office and retail buildings. To support our commercial tenants' efforts in reducing energy consumption and environmental footprint, we implemented the CDL

Green Lease Partnership Programme in 2014. As part of the Programme, a digital energy monitoring portal was jointly developed with Tuas Power to enable our tenants to track and better manage their energy usage.

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

As of end 2016, more than 95% of our tenants have pledged their commitment to the CDL Green Lease Partnership Programme by signing a Green Lease Memorandum of Understanding as part of lease renewal. CDL aims to achieve a 100% participation in our green lease for both new and renewal agreements within a year.

Several of our tenants have also taken the initiative to further their green journey by achieving the Green Mark Office Interior certification. In recognition of CDL's sterling efforts in engaging its tenants to go green, BCA conferred CDL with three out of five Green Mark Pearl Awards at their annual BCA Awards in 2016. CDL has consistently been the top winner of this category since its inception. For more information, please refer to page 60.

Promoting a Healthier Workplace for Tenants

Since 2014, CDL has been conducting complimentary health-screenings for tenants at selected commercial buildings to provide

them with the convenience of having the health checks conducted at their workplace.

In 2016, CDL collaborated with the Health Promotion Board (HPB) for the Workplace Well-being Partnership to offer a series of weekly health related activities and programmes for office tenants. As of end February 2017, more than 1,450 office workers have benefitted from the series of healthy living activities.

Builders and Suppliers

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

Managing EHS along the Value Chain

Prior to the awarding of a contract, CDL places considerable emphasis on the EHS culture and track record of potential suppliers and contractors. In key operations like project development and property management, major suppliers and builders must meet the EHS pre-qualification criteria of appropriate bizSAFE certification. Almost 100% of the consultants and main builders of CDL developments in 2016 have obtained both ISO14001 and OHSAS18001 certifications.

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

ensuring good EHS practices along our value chain, CDL and 24 of our key builders and consultants once again came together in 2016 to sign the "Pledge Towards Vision Zero Through Safe Design – Safe Practices – Safe Culture".

Measuring Performance through CDL 5-Star EHS Assessment System

Since 2001, the CDL 5-Star EHS Assessment System – an independent audit tool to assess, measure, and improve the main builders' EHS management and performance, has been in place to ensure a comprehensive, audited, and appraised EHS approach. All CDL builders undergo quarterly EHS inspections and audits conducted by an independent EHS audit firm recognised by the Ministry of Manpower (MOM), and are appraised on a scale of one to five stars. Results are then presented to the management and site supervisors of the builders and project consultants during the quarterly CDL 5-Star EHS Seminars. These seminars are a valuable platform to promote sharing of best practices and peer learning to encourage better EHS performance amongst the builders.

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

The Awards comprise the CDL EHS Excellence Award and the CDL Productivity Excellence Award, which was introduced in 2011 in support of Singapore's national productivity drive. In 2012, the CDL Workers' Welfare Award was introduced as part of our continuous efforts to align business practices

with ISO 26000. To recognise exemplary workers who live the safety message and inspire fellow colleagues to be more safety-conscious, the Safe Worker Award was launched in 2014. In the same year, we launched the CDL EHS Cup soccer league with the aim of promoting a healthy lifestyle and fostering camaraderie amongst our builders' workers. The league received favourable response and has since been held annually.

Upholding Workers' Welfare and Well-being

Although CDL does not directly supervise the workforce of our contractors, their welfare and well-being are still a priority to us. With that, we have put in place measures to ensure that our operations and that of our significant suppliers are not involved in unethical labour practices such as child or forced labour. A human rights clause on the prohibition of child labour has been included in all health and safety specifications to contractors since 2012.

While onsite workers' housing is not encouraged, we accept that there may be circumstances under which this is necessary. As such, following the issuance of our Corporate Statement on Human Rights in 2012, workers' housing conditions was subsequently evaluated using the CDL 5-Star EHS Assessment System, where applicable, after a trial run and refinement of criteria. The current assessment criteria follow requirements mandated by relevant government agencies and goes beyond local compliance¹ to ensure that in instances where there are onsite workers' housing, workers are treated with dignity and respect. Workers' dormitories and facilities have to meet the minimum requirements stipulated in our guidelines.

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

SOCIAL & RELATIONSHIP CAPITAL

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

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

In 2016, there were zero incidents and grievances of child and forced labour being reported at CDL construction sites and managed buildings.

For more information on CDL's Human Rights Policy, please refer to page 35.

Investors and Analysts

In light of recent developments in sustainability reporting locally and the rise of responsible financing globally, businesses worldwide are experiencing the impact of the growing demand for transparency and accountability. Apart from growing company earnings and maximising shareholder returns, CDL prioritises quality and timely communication of our ESG performance to engage investors and analysts.

In April 2016, CDL announced new management appointments including an Investor Relations (IR) head. The establishment of a dedicated IR function reflects our commitment to enhance our engagement with investors and is synergistic with ongoing efforts to enrich our organisational structure and management systems.

In recognition of CDL's commitment to corporate governance disclosure and practices, CDL was presented the Most Transparent Company Award for the Real Estate category at the Securities Investors Association (Singapore) Investors' Choice Awards 2016. The Company was also ranked 10th in the Singapore Governance and Transparency Index 2016, out of 631 Singapore Exchange-listed companies evaluated.

In line with CDL's commitment to achieving corporate transparency, our Senior Management holds briefings with analysts and the media on CDL's half-year and full-year financial results. Financial statements and presentation slides from the results briefings are also available on SGXNET and CDL's website. Live webcasts of our biannual financial results briefings have been made available since 2016. CDL also facilitates accurate and timely notification of material information to investors, via an email alert subscription system on the CDL website.

In addition, our Senior Management takes an active role in IR, engaging with investors through platforms such as non-deal roadshows, conferences and one-on-one meetings.

In 2016, CDL Senior Management and IR team met with over 200 institutional shareholders and potential investors in Singapore, Hong Kong and Japan. In addition, CDL has facilitated over 30 site visits to our developments in Singapore, China and UK for fund managers and analysts.

Government Agencies and Regulators

CDL is committed to being fully compliant with regulations and in many instances has gone beyond compliance. Our robust policies and procedures ensure that all our activities and operations comply with existing regulatory requirements through constant monitoring, evaluation, and auditing of our EHS management systems.

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

Feedback and Experience-Sharing

In order to weigh in and give feedback on proposed regulatory changes that impact our businesses, CDL actively participates in stakeholder consultations organised by key government agencies. Engaging regulators and relevant industry bodies not only cushions the company from the cost of regulatory alignment, it also enables CDL to be attuned to industry challenges, placing us in a better position to capture existing and future opportunities for growth.

| Regulatory Initiatives | CDL – Engaging Key Stakeholders |
|--|--|
| <p>Sustainability Reporting</p> <p>The Singapore Exchange (SGX) introduced in June 2016 Sustainability Reporting on a “comply or explain” basis.</p> <p>Effective from any financial year ending on or after 31 December 2017, companies listed on the SGX will have to publish a sustainability report on five primary components: material ESG factors, policies, practices and performance, targets, sustainability reporting framework and a Board statement.</p> | <p>Ahead of SGX’s new sustainability reporting regulation announced in 2016, CDL had already been the first Singapore organisation to produce a Global Reporting Initiative (GRI) checked sustainability report in 2008. Since then, CDL has gone one step further and in 2015, became the first property developer in Singapore to adopt an Integrated Reporting approach for its Sustainability Report.</p> <p>Due to our experience and leadership in sustainability reporting, CDL has been actively supporting various efforts to promote the reporting guidelines, sharing our best practices and the benefits of reporting at workshops and events.</p> |
| <p>Water Prices in Singapore</p> <p>Water prices will increase by 30% in 2017 for the first time in 17 years.</p> <p>The increase will be implemented in two phases, first in July 2017, and second in July 2018. Businesses will also experience a 10% water conservation tax on NEWater.</p> | <p>As a business and a leader in sustainability, CDL was involved in various consultation sessions and dialogues in support of water conservation. Engaging tenants and stakeholders in conserving resources and water has always been part of our stakeholder outreach programme.</p> |
| <p>Twin Chute Pneumatic Waste Collection System</p> <p>The Twin Chute Pneumatic Waste Collection System (PWCS) is an eco-friendly waste management system that utilises air suction to convey general waste and recyclable waste separately.</p> <p>The entire refuse disposal and removal process is clean, odourless and vector-free, and requires less manpower to manage, reducing costs while encouraging recycling.</p> | <p>CDL has always been an early adopter of green technologies. In 2008, Parc Emily, a CDL development, was the first residence in Singapore to be equipped with the twin-chute PWCS.</p> <p>CDL has hosted several visits at its projects to share the challenges of implementing the system and residents’ feedback. In January 2017, Mr Masagos Zulkifli, Minister for the Environment and Water Resources and Dr Amy Khor, Senior Minister of State, Ministry of the Environment and Water Resources and Ministry of Health visited The Palette, one of the latest completed CDL developments to feature the PWCS.</p> |

Corporate Political Contributions

As outlined in our Anti-corruption Policy, CDL has a corporate stance against using the Company’s resources to make donations to political parties and political associations, or to candidates and/or election agents in a parliamentary or presidential

election. Employees who intend to be involved in any political party are required to declare and seek top management’s approval.

Trade and Industry Associations

To further the sustainability cause at home and abroad, CDL’s Senior Management has been represented

on various industry bodies and civil society organisations. Moving forward, CDL will continue to partner the industry and form collaborations in support of the Singapore government’s agenda of becoming a smart and sustainable city.

SOCIAL & RELATIONSHIP CAPITAL

| Organisation | CDL Representation |
|---|---|
| Asia Society Policy Institute | Mr Grant Kelley, Council Member |
| Asian Civilisations Museum | Mr Sherman Kwek, Member Advisory Board |
| Asian Corporate Governance Association | Ms Esther An, Member Corporate Discussion Group |
| Business Council for Sustainable Development Singapore | Ms Esther An, Founding Member |
| Caring for Climate: United Nations' (UN) initiative for Business Leadership on Climate Change | Signatory since 2008 |
| Diversity Action Committee Singapore | Mr Sherman Kwek, Committee Member |
| Global Compact Network Singapore | Ms Esther An, Member Management Committee |
| GRI Corporate Leadership Group for Integrated Reporting <IR> | Ms Esther An, Member |
| GRESB Benchmark Committee | Ms Esther An, Member Asia Real Estate Benchmark Committee |
| Real Estate Developers' Association of Singapore (REDAS) | Mr Chia Ngiang Hong, Second Vice President |
| Royal Institution of Chartered Surveyors (RICS) and UN Global Compact | Ms Esther An, Steering Group Member Best Practices Toolkit for Real Estate Sector |
| Singapore Chinese Chamber of Commerce and Industry | Mr Sherman Kwek, Council Member |
| Singapore Green Building Council | Mr Chia Ngiang Hong President: March 2015 to March 2017 Immediate Past President: Current |
| Singapore Institute of Directors | Corporate Nominees: Mr Eric Chan, Ms Catherine Loh, Ms Enid Ling |
| Singapore International Chamber of Commerce | Ms Catherine Loh, Member Corporate Governance and Regulatory Committee |
| Singapore Management University | Ms Esther An, Industry Partner mentor Managing Sustainability module |
| Sustainable Stock Exchanges, a UN organised initiative | Ms Esther An Green Finance Advisory Group |
| UN Global Compact | Signatory since 2005 |
| UN Environment (UNEP) – Finance Initiative | Ms Esther An, Member Property Working Group |
| Urban Land Institute | Ms Esther An, Steering Committee Member Women's Leadership Initiative (Singapore) |
| Workplace Safety and Health Council (WSHC) | Mr Daniel T'ng, Chairman WSHC (Facilities Management) Workgroup Mr Daniel T'ng, Member WSHC (Construction and Landscape) Committee |
| World Green Building Council | Founding Member Organisation Ms Esther An, Member Corporate Advisory Board |
| Young Women's Leadership Connection (YWLC) | Ms Esther An, Mentor YWLC Mentorship Programme |

The Community

CDL has nurtured a robust relationship with the communities we operate in, going beyond shaping cityscapes to contributing towards community building. This has generated strong social capital and goodwill for CDL. Through our sustained outreach programmes in four focus areas – environmental conservation, youth development, the arts, and caring for the less fortunate – we aim to deliver a lasting and positive impact on the communities.

Our Community Investment Strategy

As a listed company, CDL is mindful of the prudent use of funds and accountability to shareholders and investors. Taking a value and impact creation approach, our community investment strategy aims to create value for our brand and business and at the same time generate positive impact on the wider community and the environment at large.

Community investment for CDL has grown from a strong tradition of philanthropy and charity, to a dynamic strategy that initiates and supports community outreach programmes with developmental

and sustainable outcomes. For over two decades, these initiatives have enabled us to engage our employees, their families and stakeholders as volunteers, offering ideas, expertise, manpower and time to serve the community. These collaborative initiatives need to be long-term and consistent to achieve the desired impact, and many of our community and environmental projects are sustained efforts that span many years.

In line with good governance, CDL exercises due diligence in evaluating every request for donation, sponsorship or partnership. We assess the track record, quality of management, and organisational governance of charities and community partners via various channels including their annual reports. Furthermore, for accountability, all charities and community partners are required to submit reports on their social and environmental impact of their programmes, as well as use of funds and resources.

Managing Community Impact

In construction and development, residents who live in the immediate

vicinity of a construction site are considered key stakeholders, and we understand that building activities at construction sites might pose some inconvenience to this community. Aside from complying with applicable legal requirements, we require builders at our construction sites to communicate with the community and offer avenues where the residents can give comments and feedback.

Prior to the start of key construction stages, our builders conduct surveys where feedback is collected, compiled and analysed, and concerns are addressed. As an avenue for further feedback, contact details are displayed on banners around the construction site, alongside other information required by regulations.

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

Spotlight

Community Spring Cleaning

Due warmer and wetter conditions, mosquito breeding is a key public health concern in Singapore due to the faster breeding and maturation cycles of the Aedes mosquito.

CDL is committed to being a responsible corporate citizen. We influence and strongly encourage our builders to embark on their own CSR and EHS initiatives in their construction activities. In addition to regular vector control programmes at the construction site, many of our main builders have also gone an extra mile to build greater trust and better rapport with the residents in the neighbouring community, and ensuring a cleaner environment.

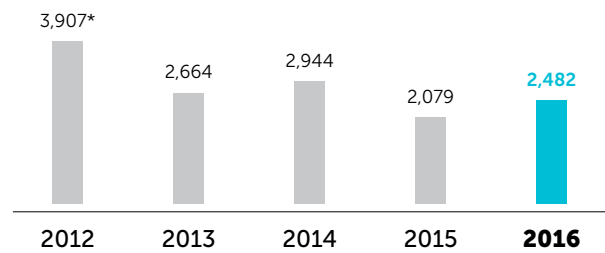
| Site | Activities |
|-----------------------|---|
| HAUS@SERANGOON GARDEN | <ul style="list-style-type: none"> • Providing cleaning services to Ling Kwang Home for Senior Citizens and Singapore Cheshire Home • Celebrating Chinese New Year with senior citizens from Singapore Cheshire Home |
| The Brownstone | <ul style="list-style-type: none"> • Cleaning of drainage and tidying up at nearby residents' area • Clearing of rubbish in areas surrounding construction site • Clearing of pedestrian public access path, public carpark and jogging path |
| D'Nest | <ul style="list-style-type: none"> • Removing of debris in surrounding area that may become mosquito breeding sites • Oiling in secluded areas and in bushes • Levelling off uneven ground to prevent water collection |
| Coco Palms | <ul style="list-style-type: none"> • Spring cleaning of neighbouring blocks • Public drain maintenance • Informing surrounding community of construction progress and status |

SOCIAL & RELATIONSHIP CAPITAL

Helping the Less Fortunate through Employee Volunteerism

Apart from monetary donations to charitable causes, CDL has always believed in engaging our stakeholders through active employee volunteerism to complement our philanthropic giving and deliver greater impact. Since 1999, CDL's dedicated employee volunteer arm, CSC has been reaching out to the less fortunate and underprivileged. In 2016, we achieved an employee participation rate of 76% and a total of 2,482 volunteer manhours.

Employee Volunteer Manhours



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

Influencing our Value Chain

| Key Initiatives | Impact |
|---|---|
| 12 th CDL 5-Star EHS Awards | <p>CDL reiterated its commitment towards Construction Industry Workplace Safety and Health Action Plans through the signing of the "Pledge Towards Vision Zero Through Safe Design – Safe Practices – Safe Culture" with 24 of its key builders and consultants. Witnessed by Mr Sam Tan, Minister of State for the Prime Minister's Office and Ministry of Manpower, it marked the first time that a developer in Singapore has galvanised collective action along its supply chain to support the Plans.</p> <p>To further promote excellence in EHS practices, various recognition awards were also given out to exemplary builders and workers.</p> |
| Workplace Well-being Partnership with HPB | <p>To promote a healthier work environment amongst its office tenants, CDL partnered the HPB to offer a series of weekly health-related activities and programmes.</p> <p>The initiative consisted of regular fitness activities and workouts, health education sessions on how to live a healthier life, and healthy cooking sessions that give participants tips on cooking healthier meals. As of end February 2017, 1,456 office workers have benefited from this.</p> |
| "Let's Live Green!" Homebuyer Outreach | <p>CDL actively encourages its homebuyers to adopt low carbon and eco-friendly lifestyles. In 2016, 1,640 specially-customised "Let's Live Green!" guides, containing information and instructions such as the energy-saving features in their new homes, were distributed during the handover of apartment units.</p> |

Promoting a Low-Carbon and Zero-Waste Society

| Key Initiatives | Impact |
|---|--|
| EcoBank – a CDL & Eco-Business Initiative | <p>For the second year running, the EcoBank campaign aims to promote a zero-waste nation by raising awareness on responsible consumption and disposal. With the support of tenants, customers and partners, about 10,800kg of pre-loved items were collected from seven CDL-managed buildings.</p> <p>Through a three-day charity bazaar and an online and on-site auction, the initiative raised more than \$35,000 for disadvantaged children under the care of the Children's Charities Association (CCA). Over 230 CDL employees, students and volunteers from CCA and the National Environment Agency put in close to 1,800 volunteer hours to help achieve this.</p> |

| Key Initiatives | Impact |
|--|---|
| Clean & Green Singapore | In support of Singapore's clean and green vision, CDL has continued to support the annual carnival jointly organised by 10 government agencies. Through a CDL-branded Eco-Home exhibit, more than 20,000 visitors picked up everyday tips on green living. |
| Reduce @ North West – "North West Power Up Scheme" | CDL has partnered the North West Community Development Council since 2015 in a scheme to help needy families defray their electricity bills while raising awareness amongst the community. The awareness programme has since reached out to 131,000 households. CDL will be contributing up to \$100,000 over three years, helping 210 low-income households that have signed up for a six-month energy audit in 2015 and 2016 to defray utilities costs. |

Advocating Best Practices in Sustainability

| Key Initiatives | Impact |
|---|---|
| Promoting Sustainability Thought Leadership | <p>As an early adopter of sustainability and pioneer of Singapore's green building movement, CDL's Senior Management are often invited to share its value-driven sustainability strategy at high-level conferences and student lectures.</p> <p>In 2016, CDL's CEO and Chief Sustainability Officer were invited to speak at 43 key events, notable ones include:</p> <ul style="list-style-type: none"> • Business & Climate Summit 2016 • Green Growth & Business Forum 2016 • International Green Building Conference 2016 • IR Magazine Awards & Conference South East Asia 2016 • Principles of Responsible Investment in Person Conference 2016 • Responsible Business Forum 2016 • SGX Briefing for CEOs on Sustainability Reporting • SGX Briefing on Financial Stability Board's Task Force on Climate-Related Financial Disclosures |

Nurturing Sustainability Champions of Tomorrow

| Key Initiatives | Impact |
|--|--|
| CDL-Compact Singapore Young CSR Leaders Award 2016 | Into its sixth year, this annual competition seeks to nurture youths to become future sustainability champions. This has become highly relevant as the global call for climate actions and sustainable development agenda is at an all-time high. The programme benefitted close to 470 students, with a record sign-up from 101 student teams in 2016. |
| CDL E-Generation Challenge 2016 | <p>Themed "Make The SMART Move", the annual eco-race aims to raise awareness amongst the youths of the need for "smart-eco" choices for a more sustainable future. The Challenge attracted 360 youth participants in 2016.</p> <p>Since its launch in 2010, the Challenge has reached out to some 2,560 youth participants, with an expanded outreach via social media networks.</p> |

SOCIAL & RELATIONSHIP CAPITAL

| Key Initiatives | Impact |
|--|---|
| My Tree House – World’s 1 st Green Library for Kids | <p>Built using eco-friendly and recycled materials, My Tree House boasts an eco-centric book collection, interactive green features and programmes which enable children to learn and discover about our natural environment, especially during their formative years.</p> <p>In 2016, My Tree House received a visitorship of over 312,500. Some 5,830 children attended 145 educational activities organised by National Library Board.</p> |
| Youth-led Programmes – Local and Overseas | <p>Through the CDL-Singapore Management University (SMU) Young CSR Leaders Fund and direct sponsorships, CDL has supported a total of 16 youth-led projects and Community Involvement Programmes which contributed to social-environmental causes in the local and neighbouring communities. Over 510 youth leaders and volunteers directly benefitted from CDL’s support.</p> <p>These youth-led events, in partnership with leading educational institutions, have reached out to about 120,000 youths in 2016:</p> <ul style="list-style-type: none"> • SMU Challenge 2016 • National University of Singapore (NUS) Geography Challenge 2016 • NUS Goes Lite 2016 organised by NUS SAVE (Students Against Violation of the Earth) • Keep Them e-Live 2016 organised by Nanyang Technological University (NTU) Earthlink • NTU Asian Business Case Challenge – Sustainable Enterprise Challenge 2016 |

Developing Singapore’s Arts Scene

| Key Initiatives | Impact |
|---|---|
| 6 th CDL Singapore Young Photographer Award 2016 | <p>Inaugurated by CDL’s late Deputy Chairman Mr Kwek Leng Joo and in line with CDL’s long-standing commitment to develop the arts and youths in Singapore, this competition aims to discover local photography talents. In 2016, the competition saw a four-fold increase in participation rate with close to 1,600 entries received since it started 10 years ago.</p> |
| 6 th CDL Singapore Sculpture Award | <p>Themed “Towards Zero Waste!”, the 6th edition of this biennial award draws inspiration from circular economy and Singapore’s vision of becoming a zero waste nation by 2030. The competition invites participants to design sculptures with residual materials from the construction of the Singapore Sustainability Academy. The winning sculpture will be displayed at the Academy, Singapore’s upcoming hub for sustainability capacity building, advocacy and networking.</p> |

Caring for Our Community

| Key Initiatives | Impact |
|---|---|
| Assisi Hospice Charity Fun Day 2016 | Into its 13 th year of support, CDL and its subsidiaries, including four hotels in Singapore, continued to contribute towards Assisi Hospice's mission of providing compassionate and quality palliative care to the terminally ill adults and children. Close to \$64,000 was raised for the charity event. Close to 250 CDL employees volunteered, while its subsidiary CBM Pte Ltd provided in-kind support in logistics, cleaning, waste management and security. |
| "Amazing Race" Fund-raising Challenge for Arc Children's Centre | <p>CDL collaborated with Zenith Optimedia and various media owners to create an "Amazing Race" excursion in our "Bring Your Kids to Work" programme that raised \$22,000 for the Arc Children's Centre.</p> <p>The Arc Children's Centre helps children with cancer and other life-threatening illnesses. As a commitment for the donation, the children participating in the programme would have to finish the "Amazing Race", instilling determination and charity in our children, while also contributing to a good cause.</p> |
| "Bringing Cheer @ Bendemeer" – A collaboration with HDB | As part of our community outreach, CDL partnered with HDB to refurbish the homes of 27 elderly staying in 1-room rental flats. The contributions included providing fresh coats of paints and general cleaning of flats, installation of curtains and sponsorship of household items such as electric fans, bed frames and mattresses, rice cookers and other household products. |

LOOKING AHEAD

CDL has always encouraged engagement and communication to further sustainability in Singapore, as well as globally. In mid-2017, we are glad to be launching the Singapore Sustainability Academy (SSA), located at the roof terrace of City Square Mall. The Academy is the first major 3P ground-up initiative involving our main partner and operator of the premises, Sustainable Energy Association of

Singapore, various government agencies and industry partners. Built with materials such as Cross Laminated Timber and Glued Laminated Timber, the SSA is the first in Singapore to have its construction materials be verified as from responsible sources by the Nature's Barcode™ system. The Academy will focus on the key areas of advocacy, building capacity and collaboration, education and training, information and resource, as well as user engagement.

CDL hopes that a space entirely dedicated to sustainability like the SSA will help to build capacity and collaboration among businesses and supply chains, practitioners and youths, academics and the industry, as well as solution providers and adopters, harnessing the collective knowledge and expertise of thought- and industry-leaders through multiple training and engagement initiatives.

ISO 14064 REASONABLE ASSURANCE STATEMENT



Lloyd's Register
LRQA

The GHG Report
for the calendar year 2016 prepared by:
City Developments Limited
9 Raffles Place, Republic Plaza #36-00,
Singapore 048619

have been verified by Lloyd's Register Quality Assurance Ltd. (LRQA) in accordance with:
ISO 14064-3:2006¹

as conforming to the requirements of:
ISO 14064-1:2006²

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

| Scope of GHG emissions | (Tonnes CO ₂ e) |
|---|----------------------------|
| Direct GHG emissions (Scope 1) | 5,324 |
| Energy indirect GHG emissions (Scope 2, Location-based) | 25,023 |
| Other indirect GHG emissions (Scope 3) (From electricity transmission losses, local and international courier services, employee commuting, business air travel (excluding the influence of radiative forcing) and hotel accommodations, water supply and water treatment [excluding water treatment for property development & project management sites]). | 1,268 |

Note 1: Scope 2, Location-based and Scope 2, Market-based are defined in the GHG Protocol Scope 2 Guidance, 2016

Date: 29 March 2017

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

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

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

**Assurance Statement related to
GHG Report for Calendar Year 2016
prepared for City Developments
Limited,
9, Raffles Place, Republic Plaza
#36-00, Singapore 048619**

Terms of Engagement

This Assurance Statement has been prepared for City Developments Limited.

Lloyd's Register Quality Assurance Ltd. (LRQA) was commissioned by City Developments Limited to assure its GHG Report for the calendar year 2016, (hereafter referred to as "the GHG report") for its Singapore Operations.

The GHG report relates to direct GHG emissions, energy indirect GHG emissions and other indirect GHG emissions (from electricity transmission losses, local and international courier services, employee commuting, business air travel (excluding the influence of radiative forcing) and hotel accommodations, water supply and water treatment [excluding water treatment for property development & project management sites]), summarised in Table 1 on the next page.

Management Responsibility

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

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

LRQA's Approach

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

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

- conducted site tours of the following: "Corporate Office", "Commercial Buildings", "Industrial Buildings" and "Property Developments & Project Management Sites" located at the following addresses:
 - o Corporate office located at 9, Raffles Place, Republic Plaza, #36-00, Singapore 048619
 - o Industrial Buildings
 - Tagore 23 Warehouse located at 23, Tagore Lane, Singapore 787601
 - Cideco Industrial Complex located at 50, Genting Lane, Singapore 349558
 - City Industrial Building located at 71, Tannery Lane, Singapore 347807
- reviewed processes related to the control of GHG emissions data and records;
- reviewed the GHG report for conformance with ISO 14046-1:2006;
- interviewed key personnel responsible for the management of GHG data and information and for the preparation of the GHG report at the above facilities;
- verified, on a sampling basis, the historical GHG emissions data and records included in the GHG report back to source for the calendar year 2016;
- verified the emission factors used that included 'operating margin for electricity grid' factoring upstream fugitive methane emissions, transmission & distribution losses, purchase of goods and services (water supply), diesel, petrol, refrigerant gases, business air travel, hotel accommodation and employee commuting with the source reference and confirmed its appropriateness.

- o Commercial Buildings
 - Central Mall Office Tower located at 1, Magazine Road, Singapore 059567
 - Palais Renaissance located at 390 Orchard Road, Singapore 238871
 - Tampines Grande located at 7 & 9 Tampines Grande, Singapore 528735
- o Property Developments & Project Management Sites
 - D'nest located at 131 Pasir Ris Grove, Singapore 518130
 - Coco Palms located at Pasir Ris Heights, Singapore 518074
 - The Criterion located at Yishun Street 51, Singapore 767996

ISO 14064 REASONABLE ASSURANCE STATEMENT

Level of Assurance & Materiality

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

LRQA's Opinion

Based on LRQA's approach, the total direct GHG emissions, energy indirect GHG emissions and other indirect GHG emissions (from staff business travel by air from and to Singapore) as disclosed in the GHG report and as summarized in Table 1 below are materially correct, and the GHG report has been prepared in conformance with ISO 14064-1:2006.

Recommendation

CDL should enhance the robustness of data quality control to prevent errors and improve the data accuracy.

Dated: 29 March 2017



Tan Wee Heok

LRQA Lead Verifier

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

LRQA reference number: SNG6034635

Table 1. Summary of CDL GHG report for the Calendar Year 2016

| Scope of GHG emissions | (Tonnes CO ₂ e) |
|---|----------------------------|
| Direct GHG emissions (Scope 1) | 5,324 |
| Energy indirect GHG emissions (Scope 2, Location-based) | 25,023 |
| Other indirect GHG emissions (Scope 3) (From electricity transmission losses, local and international courier services, employee commuting, business air travel (excluding the influence of radiative forcing) and hotel accommodations, water supply and water treatment [excluding water treatment for property development & project management sites]). | 1,268 |

Note 1: Scope 2, Location-based and Scope 2, Market-based are defined in the GHG Protocol Scope 2 Guidance, 2016

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

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

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

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

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

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

INDEPENDENT LIMITED ASSURANCE STATEMENT



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

We have performed limited assurance procedures in relation to CDL's Sustainability Report 2017 ('the Report') as detailed in the 'Subject Matter' below.

The management's responsibility

CDL's Sustainability Report 2017 has been prepared by the Management of CDL, who is responsible for the collection and presentation of the information and for maintaining adequate records and internal controls that are designed to support the sustainability reporting process. There are currently no legally prescribed requirements in Singapore relating to the preparation, publication and verification of sustainability reports.

The auditor's responsibility

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

Our review was limited to the information on the select indicators set out within the Report from 01 January 2016 to 31 December 2016 and our responsibility does not include:

- Any work in respect of sustainability information published elsewhere in CDL's annual report, website and other publications,
- Sustainability information prior to 01 January 2016 and subsequent to 31 December 2016, and
- Management's forward looking statements such as targets, plans and intentions.

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

Reporting criteria

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

Assurance standard used and level of assurance

Our limited assurance engagement has been planned and performed in accordance with the ISAE 3000¹ Assurance Engagement Other Than Audits or Reviews of Historical Financial Information. We have also considered the Global Reporting Initiative (GRI) reporting standards in conducting our limited assurance procedures.

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

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

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

INDEPENDENT LIMITED ASSURANCE STATEMENT

Scope of work

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

Subject matter

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

(A) GRI General Disclosures

| Category | GRI General Disclosure | | "Shall" requirements under each disclosure |
|--------------------|------------------------|--|--|
| Reporting practice | GRI 102-46 | Defining report content and topic Boundaries | a. An explanation of the process for defining the report content and the topic Boundaries. |
| | | | b. An explanation of how the organization has implemented the Reporting Principles for defining report content. |
| | | | 6.1 When compiling the information specified in Disclosure 102-46, the reporting organization shall include an explanation of how the Materiality principle was applied to identify material topics, including any assumptions made. |
| | GRI 102-47 | List of material topics | a. A list of the material topics identified in the process for defining report content. |
| Governance | GRI 102-18 | Governance structure, including committees responsible for decision-making on economic, environmental, and social topics | a. Governance structure of the organization, including committees of the highest governance body. |
| | | | b. Committees responsible for decision-making on economic, environmental, and social topics. |
| | GRI 102-29 | Identifying and managing economic, environmental and social impacts | a. Highest governance body's role in identifying and managing economic, environmental, and social topics and their impacts, risks, and opportunities – including its role in the implementation of due diligence processes. |
| | GRI 102-32 | Highest governance body's role in sustainability reporting | a. The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material topics are covered. |

(B) GRI Topic-Specific Disclosures

| Top 10 Material Issues | GRI Topic-Specific Disclosure | | "Shall" requirements under each disclosure |
|-----------------------------------|-------------------------------|---|--|
| 1. Employee Health and Safety | GRI 403-1 | Workers representation in formal joint management-worker health and safety committees | a. The level at which each formal joint management-worker health and safety committee typically operates within the organization. |
| | GRI 403-2 | Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities | b. Percentage of workers whose work, or workplace, is controlled by the organization, that are represented by formal joint management-worker health and safety committees. |
| | | | a. Types of injury, injury rate (IR), occupational disease rate (ODR), lost day rate (LDR), absentee rate (AR), and work-related fatalities, for all employees, with a breakdown by: i. Region; ii. Gender. |
| | | | b. Types of injury, injury rate (IR), and work-related fatalities, for all workers (excluding employees) whose work, or workplace, is controlled by the organization, with a breakdown by: i. Region; ii. Gender. |
| | | | c. The system of rules applied in recording and reporting accident statistics. |
| | | | 2.2 When compiling the information specified in Disclosure 403-2, the reporting organization shall: 2.2.1 Indicate whether minor (first-aid level) injuries are included or excluded in the injury rate (IR); 2.2.2 Include fatalities in the injury rate (IR); 2.2.3 In calculating 'lost days', indicate: 2.2.3.1 Whether 'days' means 'calendar days' or 'scheduled work days'; 2.2.3.2 At what point the 'lost days' count begins (for example, the day after the accident or three days after the accident). |
| 2. Anti-corruption and Anti-fraud | GRI 205-1 | Operations assessed for risks related to corruption | b. Significant risks related to corruption identified through the risk assessment. |
| | GRI 205-2 | Communication and training about anti-corruption policies and procedures | a. Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region. b. Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region. |

| Top 10 Material Issues | GRI Topic-Specific Disclosure | | "Shall" requirements under each disclosure |
|---|-------------------------------|--|---|
| 2. Anti-corruption and Anti-fraud (cont.) | GRI 205-2 | Communication and training about anti-corruption policies and procedures | <ul style="list-style-type: none"> c. Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization's anti-corruption policies and procedures have been communicated to any other persons or organizations. d. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region. e. Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region. |
| | GRI 205-3 | Confirmed incidents of corruption and actions taken | <ul style="list-style-type: none"> a. Total number and nature of confirmed incidents of corruption. b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption. c. Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption. d. Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases. |
| 3. Product Quality and Responsibility | GRI 417-1 | Requirements for product and service information and labelling | <ul style="list-style-type: none"> a. Whether each of the following types of information is required by the organization's procedures for product and service information and labelling: <ul style="list-style-type: none"> ii. Content, particularly with regard to substances that might produce an environmental or social impact; |
| | CRE8 | Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment | <ul style="list-style-type: none"> 2.1 Report the type and number of mandatory and voluntary sustainability certification, rating or labelling schemes in at least one of the following ways: <ul style="list-style-type: none"> – Total number of assets that have achieved a certification, rating or labelling within a portfolio (buildings and construction projects), and level of certification attained; or – Percentage of assets certifications, ratings or labels achieved within a portfolio. 2.2 Report building operational performance improvements that result from the introduction of the certification, rating or labelling schemes compared to the design specification using any of the criteria of the certification, rating or labelling schemes. |
| 4. Legal Compliance | GRI 307-1 | Non-compliance with environmental laws and regulations | <ul style="list-style-type: none"> a. Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in terms of: <ul style="list-style-type: none"> i. Total monetary value of significant fines; ii. Total number of non-monetary sanctions; iii. Cases brought through dispute resolution mechanisms. b. If the organization has not identified any non-compliance with environmental laws and/or regulations, a brief statement of this fact is sufficient. |
| | GRI 419-1 | Non-compliance with laws and regulations in the social and economic area | <ul style="list-style-type: none"> a. Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of: <ul style="list-style-type: none"> i. Total monetary value of significant fines; ii. Total number of non-monetary sanctions; iii. Cases brought through dispute resolution mechanisms. b. If the organization has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient. c. The context against which significant fines and non-monetary sanctions were incurred. |
| 5. Customer/ Public Health and Safety | GRI 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | <ul style="list-style-type: none"> a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period, by: <ul style="list-style-type: none"> i. Incidents of non-compliance with regulations resulting in a fine or penalty; ii. Incidents of non-compliance with regulations resulting in a warning; iii. Incidents of non-compliance with voluntary codes. b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient. <ul style="list-style-type: none"> 2.1 When compiling the information specified in Disclosure 416-2, the reporting organization shall: <ul style="list-style-type: none"> 2.1.1 Exclude incidents of non-compliance in which the organization was determined not to be at fault; 2.1.2 Exclude incidents of non-compliance related to labelling. Incidents related to labelling are reported in Disclosure 417-2 of GRI 417: Marketing and Labelling; 2.1.3 If applicable, identify any incidents of non-compliance that relate to events in periods prior to the reporting period. |
| 6. Supplier Health and Safety | GRI 403-1 | Workers representation in formal joint management-worker health and safety committees | See above Material Issue 1. Employee Health & Safety. |
| | GRI 403-2 | Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities | See above Material Issue 1. Employee Health & Safety. |

INDEPENDENT LIMITED ASSURANCE STATEMENT

| Top 10 Material Issues | GRI Topic-Specific Disclosure | "Shall" requirements under each disclosure |
|--|--|---|
| 7. Economic Contribution to Society | GRI 201-1 | <p>Direct economic value generated and distributed</p> <p>a. Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:</p> <ul style="list-style-type: none"> i. Direct economic value generated: revenues; ii. Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments; <p>2.1 When compiling the information specified in Disclosure 201-1, if the reporting organization shall, if applicable, compile the EVG&D from data in the organization's audited financial or profit and loss (P&L) statement, or its internally audited management accounts.</p> |
| | GRI 201-3 | <p>Defined benefit plan obligations and other retirement plans</p> <p>a. If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities.</p> <p>d. Percentage of salary contributed by employee or employer.</p> <p>e. Level of participation in retirement plans, such as participation in mandatory or voluntary schemes, regional, or country-based schemes, or those with financial impact.</p> |
| 8. Energy Efficiency | GRI 302-3 | <p>Energy intensity</p> <p>a. Energy intensity ratio for the organization.</p> <p>b. Organization-specific metric (the denominator) chosen to calculate the ratio.</p> <p>c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all.</p> <p>d. Whether the ratio uses energy consumption within the organization, outside of it, or both.</p> <p>2.5 When compiling the information specified in Disclosure 302-3, the reporting organization shall:</p> <p>2.5.1 Calculate the ratio by dividing the absolute energy consumption (the numerator) by the organization-specific metric (the denominator);</p> <p>2.5.2 If reporting an intensity ratio both for the energy consumed within the organization and outside of it, report these intensity ratios separately.</p> |
| | GRI 302-4 | <p>Reduction of energy consumption</p> <p>a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.</p> <p>b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all.</p> <p>c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.</p> <p>d. Standards, methodologies, assumptions, and/or calculation tools used.</p> <p>2.7 When compiling the information specified in Disclosure 302-4, the reporting organization shall:</p> <p>2.7.1 Exclude reductions resulting from reduced production capacity or outsourcing;</p> <p>2.7.2 Describe whether energy reduction is estimated, modelled, or sourced from direct measurements. If estimation or modelling is used, the organization shall disclose the methods used.</p> |
| | GRI 302-5 | <p>Reductions in energy requirements of products and services</p> <p>a. Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples.</p> <p>b. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.</p> <p>c. Standards, methodologies, assumptions, and/or calculation tools used.</p> <p>2.9 When compiling the information specified in Disclosure 302-5, the reporting organization should:</p> <p>2.9.1 If subject to different standards and methodologies, describe the approach to selecting them;</p> <p>2.9.1 Refer to industry use standards to obtain this information, where available (such as fuel consumption of cars for 100 km at 90 km/h).</p> |
| 9. Customer and Tenant Engagement | GRI 102-43, limiting the scope to "results of customer satisfaction surveys" | <p>Approach to stakeholder engagement</p> <p>a. The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.</p> |
| 10. Environmental Impact Assessment and Mitigation | GRI 304-2 | <p>Significant impacts of activities, products, and services on biodiversity</p> <p>a. Nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following:</p> <ul style="list-style-type: none"> iv. Reduction of species; v. Habitat conversion. |

* The above subject matter only covers operations owned and managed by CDL's Singapore headquarters, excluding subsidiaries. For the indicators covered in our scope of assurance, all quantitative assertions and certain qualitative assertions have been assured, to the extent disclosed by CDL.

What we did to form our conclusions

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

1. Inquiries with CDL's CSR team to
 - a. Understand principal business operations,
 - b. Appreciate key sustainability issues and developments,
 - c. Map out information flow for sustainability reporting and the controls on information collation,
 - d. Identify data providers with their responsibilities, and
 - e. Recognise the likelihood of possible manipulation of sustainability data.
2. Undertake site visits to one project site, two CDL-managed properties, and CDL's offices.
3. Conduct process walk-through of systems and processes for data aggregation and reporting, with relevant personnel to understand the quality of checks and control mechanisms, assessing and testing the controls in relation to the concerned subject matters in the Report.

4. Interviews with employees and management (CSR, Human Resources, Property & Facilities Management, Environment Health & Safety, Customer Service, Internal Audit, Enterprise Risk Management, Projects, Administration, Corporate Secretarial Services) to understand key sustainability issues related to the select indicators and processes for the collection and accurate reporting of performance information.
5. Obtain documentation through sampling methods to verify assumptions, estimations and computations made by management in relation to the concerned subject matters in the Report.
6. Checking that data and statements had been correctly transcribed from corporate systems and / or supporting evidence, into the Report.
7. Obtain various certifications, audit reports and financial statement report in relation to the concerned subject matters in the Report.

Our independence

EY has provided independent assurance services in relation to CDL's Sustainability Report 2017.

In conducting our assurance engagement we have met the independence requirements

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

Observations and areas for improvement

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

Conclusion

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



Ernst & Young LLP
Signed for Ernst & Young LLP by
K Sadashiv
Partner, Climate Change and
Sustainability Services
Singapore, 5 May 2017

GRI CONTENT INDEX



GRI STANDARDS DISCLOSURES

| GRI Standard | Disclosure Number | Disclosure Title | Page reference and reasons for omissions, if applicable | Externally Assured (Y/N) |
|-----------------------------------|-------------------|---|--|--------------------------|
| GENERAL DISCLOSURES | | | | |
| Organisational Profile | | | | |
| GRI 102: General Disclosures 2016 | 102-1 | Name of the organization | 1 | N |
| | 102-2 | Activities, brands, products, and services | 3, AR 2016 (22, 80-81) | N |
| | 102-3 | Location of headquarters | 3 | N |
| | 102-4 | Location of operations | 3, AR 2016 (22, 80) | N |
| | 102-5 | Ownership and legal form | 3, AR 2016 (22) | N |
| | 102-6 | Markets served | 3, AR 2016 (22, 80) | N |
| | 102-7 | Scale of the organization | 69, AR 2016 (81, 121-122) | N |
| | 102-8 | Information on employees and other workers | 67-70 | N |
| | 102-9 | Supply chain | 79-80 | N |
| | 102-10 | Significant changes to the organization and its supply chain | 4-9, 27-29, AR 2016 (14-21) | N |
| | 102-11 | Precautionary Principle or approach | 37-39, AR 2016 (62-66) | N |
| | 102-12 | External initiatives | 31-32, 34-36, 40-41 | N |
| | 102-13 | Membership of associations | 82 | N |
| Strategy | | | | |
| GRI 102: General Disclosures 2016 | 102-14 | Statement from senior decision-maker | 4-9 | N |
| | 102-15 | Key impacts, risks, and opportunities | 5-9, 20-21 | N |
| Ethics and Integrity | | | | |
| GRI 102: General Disclosures 2016 | 102-16 | Values, principles, standards, and norms of behavior | 31-37 | N |
| | 102-17 | Mechanisms for advice and concerns about ethics | 33-34, 37, 76 | N |
| Governance | | | | |
| GRI 102: General Disclosures 2016 | 102-18 | Governance structure | 11, AR 2016 (26-33) | Y (91-95) |
| | 102-19 | Delegating authority | 11 | N |
| | 102-20 | Executive-level responsibility for economic, environmental, and social topics | 11 | N |
| | 102-21 | Consulting stakeholders on economic, environmental, and social topics | 31-32 | N |
| | 102-22 | Composition of the highest governance body and its committees | 11, AR 2016 (26-33) | N |
| | 102-23 | Chair of the highest governance body | AR 2016 (41-42) | N |
| | 102-24 | Nominating and selecting the highest governance body | AR 2016 (35, 40-45) | N |
| | 102-25 | Conflicts of interest | AR 2016 (35, 40-42) | N |
| | 102-26 | Role of highest governance body in setting purpose, values, and strategy | 31, 37-39 | N |
| | 102-27 | Collective knowledge of highest governance body | AR 2016 (38 - 39) | N |
| | 102-28 | Evaluating the highest governance body's performance | AR 2016 (45 - 46) | N |
| | 102-29 | Identifying and managing economic, environmental, and social impacts | 37-39, AR 2016 (51-53) | Y (91-95) |
| | 102-30 | Effectiveness of risk management processes | 37-39, AR 2016 (51-53) | N |
| | 102-31 | Review of economic, environmental, and social topics | AR 2016 (36-37) | N |
| | 102-32 | Highest governance body's role in sustainability reporting | 22 | Y (91-95) |
| | 102-33 | Communicating critical concerns | 33-34, 76 | N |
| | 102-34 | Nature and total number of critical concerns | 33-34, 37, 73-76 | N |
| | 102-35 | Remuneration policies | AR 2016 (47-50) | N |
| | 102-36 | Process for determining remuneration | 71, AR 2016 (47-48) | N |
| | 102-37 | Stakeholders' involvement in remuneration | 71, AR 2016 (47-50) | N |
| | 102-38 | Annual total compensation ratio | Not disclosed due to the commercial sensitivity given the highly competitive human resource environment. | N |
| | 102-39 | Percentage increase in annual total compensation ratio | Not disclosed due to the commercial sensitivity given the highly competitive human resource environment. | N |

| GRI Standard | Disclosure Number | Disclosure Title | Page reference and reasons for omissions, if applicable | Externally Assured (Y/N) |
|--|-------------------|---|---|--------------------------|
| GENERAL DISCLOSURES | | | | |
| Stakeholder Engagement | | | | |
| GRI 102: General Disclosures 2016 | 102-40 | List of stakeholder groups | 16, 73-75 | N |
| | 102-41 | Collective bargaining agreements | 76 | N |
| | 102-42 | Identifying and selecting stakeholders | 16-17, 73 | N |
| | 102-43 | Approach to stakeholder engagement | 16-17, 73-75 | Y (91-95) |
| | 102-44 | Key topics and concerns raised | 73-75, 77 | N |
| Reporting Practice | | | | |
| GRI 102: General Disclosures 2016 | 102-45 | Entities included in the consolidated financial statements | 3, AR 2016 (22, 80) | N |
| | 102-46 | Defining report content and topic Boundaries | 16-17 | Y (91-95) |
| | 102-47 | List of material topics | 18-19 | Y (91-95) |
| | 102-48 | Restatements of information | 22 | N |
| | 102-49 | Changes in reporting | 22-23 | N |
| | 102-50 | Reporting period | 22 | N |
| | 102-51 | Date of most recent report | 22 | N |
| | 102-52 | Reporting cycle | 22 | N |
| | 102-53 | Contact point for questions regarding the report | 23 | N |
| | 102-54 | Claims of reporting in accordance with the GRI Standards | 22-23 | N |
| | 102-55 | GRI content index | 96-100 | N |
| | 102-56 | External assurance | 23, 91-95 | N |
| TOPIC-SPECIFIC STANDARDS | | | | |
| Legal Compliance | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | 17, 19 | N |
| | 103-2 | The management approach and its components | 33-37, 56, 76 | N |
| | 103-3 | Evaluation of the management approach | 33-37, 56, 76 | N |
| GRI 206: Anti-competitive 2016 | 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | 37 | N |
| GRI 307: Environmental Compliance 2016 | 307-1 | Non-compliance with environmental laws and regulations | 56 | Y (91-95) |
| GRI 418: Customer Privacy 2016 | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | 78 | N |
| GRI 419: Socioeconomic Compliance 2016 | 419-1 | Non-compliance with laws and regulations in the social and economic area | 37, 56 | Y (91-95) |
| Anti-corruption and Anti-fraud | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | 17, 19 | N |
| | 103-2 | The management approach and its components | 14-15, 33, 35, 37, 76 | N |
| | 103-3 | Evaluation of the management approach | 33, 35, 37, 76 | N |
| GRI 205: Anti-corruption 2016 | 205-1 | Operations assessed for risks related to corruption | 33 | Y (91-95) |
| | 205-2 | Communication and training about anti-corruption policies and procedures | 37 | Y (91-95) |
| | 205-3 | Confirmed incidents of corruption and actions taken | 37 | Y (91-95) |
| Product Quality and Responsibility | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | 17, 19 | N |
| | 103-2 | The management approach and its components | 61, 76-78 | N |
| | 103-3 | Evaluation of the management approach | 61, 76-78 | N |
| GRI 417: Marketing and Labelling 2016 | 417-1 | Requirements for product and service information and labeling | 59, 61 | Y (91-95) |
| | 417-2 | Incidents of non-compliance concerning product and service information and labeling | 37 | N |
| | 417-3 | Incidents of non-compliance concerning marketing communications | 37 | N |
| GRI Sector Disclosures: Construction and Real Estate | CRE 8 | Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment | 31, 40, 65 | Y (91-95) |

GRI CONTENT INDEX

| GRI Standard | Disclosure Number | Disclosure Title | Page reference and reasons for omissions, if applicable | Externally Assured (Y/N) |
|--|-------------------|--|--|--------------------------|
| TOPIC-SPECIFIC STANDARDS | | | | |
| Employee Health and Safety | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | 17, 19 | N |
| | 103-2 | The management approach and its components | 14-15, 67-69 | N |
| | 103-3 | Evaluation of the management approach | 67-69 | N |
| GRI 403: Occupational Health and Safety 2016 | 403-1 | Workers representation in formal joint management-worker health and safety committees | 68 | Y (91-95) |
| | 403-2 | Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities | 68-69 | Y (91-95) |
| | 403-3 | Workers with high incidence or high risk of diseases related to their occupation | 68 | N |
| | 403-4 | Health and safety topics covered in formal agreements with trade unions | Disclosure is not applicable as CDL is not a unionised company. | N |
| GRI Sector Disclosures: Construction and Real Estate | CRE 6 | Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system | 31, 67, 79-80 | N |
| Customer/Public Healthy & Safety | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | 17, 19 | N |
| | 103-2 | The management approach and its components | 61-62 | N |
| | 103-3 | Evaluation of the management approach | 61-62 | N |
| GRI: 416: Customer Health and Safety 2016 | 416-1 | Assessment of the health and safety impacts of product and service categories | 61-62 | N |
| | 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | 37 | Y (91-95) |
| Economic Contribution to Society | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | 17, 19 | N |
| | 103-2 | The management approach and its components | 4-9, 25, 27-29, 84-87, AR 2016 (14-21) | N |
| | 103-3 | Evaluation of the management approach | 4-9, 25, 27-29, 84-87, AR 2016 (14-21) | N |
| GRI 201: Economic Performance 2016 | 201-1 | Direct economic value generated and distributed | 25-26, 84-87, AR 2016 (121-122) | Y (91-95) |
| | 201-2 | Financial implications and other risks and opportunities due to climate change | 20-21, 43, 59-63, AR 2016 (64-66) | N |
| | 201-3 | Defined benefit plan obligations and other retirement plans | 70-71 | Y (91-95) |
| | 201-4 | Financial assistance received from government | CDL is not at liberty to disclose this information as the Company is bound by confidentiality. | N |
| GRI 202: Market Presence 2016 | 202-1 | Ratios of standard entry level wage by gender compared to local minimum wage | Disclosure is not applicable as there is no minimum wage system in Singapore. Furthermore, CDL's direct hires are skilled technical and professional employees whose pay is not linked to particular laws concerning minimum wage. | N |
| | 202-2 | Proportion of senior management hired from the local community | 70 | N |
| GRI 203: Indirect Economic Impacts 2016 | 203-1 | Infrastructure investments and services supported | 59-64 | N |
| | 203-2 | Significant indirect economic impacts | 14-15, 44, 46-55, 59-64, 84-87 | N |

| GRI Standard | Disclosure Number | Disclosure Title | Page reference and reasons for omissions, if applicable | Externally Assured (Y/N) |
|---|-------------------|---|--|--------------------------|
| TOPIC-SPECIFIC STANDARDS | | | | |
| Supplier Health and Safety | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | 17, 19 | N |
| | 103-2 | The management approach and its components | 14-15, 67-68, 79-80 | N |
| | 103-3 | Evaluation of the management approach | 14-15, 67-68, 79-80 | N |
| GRI 403: Occupational Health and Safety 2016 | 403-1 | Workers representation in formal joint management–worker health and safety committees | 68 | Y (91-95) |
| | 403-2 | Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities | 67-69 | Y (91-95) |
| | 403-3 | Workers with high incidence or high risk of diseases related to their occupation | 67-68 | N |
| | 403-4 | Health and safety topics covered in formal agreements with trade unions | Disclosure is not applicable as CDL is not a unionised company. | N |
| Customer and Tenant Engagement | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | 17, 19 | N |
| | 103-2 | The management approach and its components | 76-79 | N |
| | 103-3 | Evaluation of the management approach | 76-79 | N |
| GRI 102: General Disclosures 2016 | 102-43 | Approach to stakeholder engagement | 16-17, 73-75 | Y (91-95) |
| Energy Efficiency | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | 17, 19 | N |
| | 103-2 | The management approach and its components | 14-15, 49-51 | N |
| | 103-3 | Evaluation of the management approach | 14-15, 49-51 | N |
| GRI 302: Energy 2016 | 302-1 | Energy consumption within the organization | 50-51 | Y (88-90) |
| | 302-2 | Energy consumption outside of the organization | 50-51 | N |
| | 302-3 | Energy intensity | 50-51 | Y (91-95) |
| | 302-4 | Reduction of energy consumption | 50-51 | Y (91-95) |
| | 302-5 | Reductions in energy requirements of products and services | 49, 59-60 | Y (91-95) |
| GRI 305: Emissions 2016 | 305-1 | Direct (Scope 1) GHG emissions | 46 | Y (88-90) |
| | 305-2 | Energy indirect (Scope 2) GHG emissions | 46 | Y (88-90) |
| | 305-3 | Other indirect (Scope 3) GHG emissions | 46 | Y (88-90) |
| | 305-4 | GHG emissions intensity | 47 | N |
| | 305-5 | Reduction of GHG emissions | 14, 45 | N |
| | 305-6 | Emissions of ozone-depleting substances (ODS) | Disclosure is not material to CDL. | N |
| | 305-7 | Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions | Disclosure is not material to CDL. | N |
| GRI Sector Disclosures: Construction and Real Estate | CRE 1 | Building energy intensity | 50 | N |
| | CRE 3 | Greenhouse gas emissions intensity from buildings | 47 | N |
| | CRE 4 | Greenhouse gas emissions intensity from new construction and redevelopment activity | 47 | N |
| Environmental Impact Assessment and Mitigation | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | 17, 19 | N |
| | 103-2 | The management approach and its components | 43 | N |
| | 103-3 | Evaluation of the management approach | 43 | N |
| GRI 304: Biodiversity 2016 | 304-1 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | Disclosure is not applicable as CDL's development projects are not located within protected areas. | N |
| | 304-2 | Significant impacts of activities, products, and services on biodiversity | 43 | Y (91-95) |
| | 304-3 | Habitats protected or restored | Disclosure is not applicable as CDL's development projects are not located within protected areas. | N |
| | 304-4 | IUCN Red List species and national conservation list species with habitats in areas affected by operations | 43 | N |

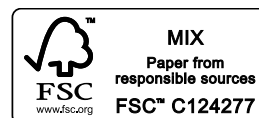
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| GRI Standard | Disclosure Number | Disclosure Title | Page reference and reasons for omissions, if applicable | Externally Assured (Y/N) |
|--|-------------------|---|--|--------------------------|
| TOPIC-SPECIFIC STANDARDS | | | | |
| Materials | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | 17, 19 | N |
| | 103-2 | The management approach and its components | 44-45 | N |
| | 103-3 | Evaluation of the management approach | 44-45 | N |
| GRI 301: Materials 2016 | 301-1 | Materials used by weight or volume | 44 | N |
| | 301-2 | Recycled input materials used | 44 | N |
| | 301-3 | Reclaimed products and their packaging materials | Disclosure is not applicable for CDL's operations in Singapore. | N |
| Water | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | 17, 19 | N |
| | 103-2 | The management approach and its components | 51-52 | N |
| | 103-3 | Evaluation of the management approach | 51-52 | N |
| GRI 303: Water 2016 | 303-1 | Water withdrawal by source | 53 | N |
| | 303-2 | Water sources significantly affected by withdrawal of water | 51-53 | N |
| | 303-3 | Water recycled and reused | 53 | N |
| GRI Sector Disclosures: Construction and Real Estate | CRE 2 | Building water intensity | 53 | N |
| Effluents and Waste | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | 17, 19 | N |
| | 103-2 | The management approach and its components | 54-55 | N |
| | 103-3 | Evaluation of the management approach | 54-55 | N |
| GRI 306: Effluents and Waste 2016 | 306-1 | Water discharge by quality and destination | 52-53 | N |
| | 306-2 | Waste by type and disposal method | 55 | N |
| | 306-3 | Significant spills | Disclosure is not applicable for the real estate and construction industry in Singapore. | N |
| | 306-4 | Transport of hazardous waste | Disclosure is not applicable for CDL's operations in Singapore. | N |
| | 306-5 | Water bodies affected by water discharges and/or runoff | Disclosure is not applicable as CDL's operations do not significantly affect any water bodies. | N |

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 forwardlooking 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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