

## News Release

2 May 2018

### **CDL INTEGRATED SUSTAINABILITY REPORT 2018: ON TRACK TO ACHIEVE SUSTAINABILITY GOALS AMID INCREASED REGULATIONS, GREEN CONSUMERISM AND INVESTMENT**

- *32.8% reduction in carbon emissions intensity<sup>1</sup> from 2007 levels, on track to meet its 38% target for 2030*
- *27.3% reduction in energy use intensity<sup>2</sup> from 2007 levels, achieving its 25% target for 2030 ahead of time*
- *Over S\$20 million savings in electricity bills as a result of energy-efficient retrofitting and initiatives implemented for eight CDL-managed commercial buildings from 2012 to 2017*
- *Proactively reviewing a 100% renewable energy target for its operations by 2050*
- *Among the first in Singapore to voluntarily publish its climate-related financial disclosures and commence a climate change scenario analysis in line with the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)*

City Developments Limited (CDL) has published its latest ***Integrated Sustainability Report 2018: On Track To CDL Future Value 2030***. The report shows CDL's progress towards the material Environmental, Social and Governance (ESG) goals and targets under its CDL Future Value 2030 sustainability blueprint. Against the backdrop of increased regulations and demand for sustainable products and investments, the future-fit blueprint drives CDL's integrated sustainability strategy towards 2030, a milestone year for global climate agreement and sustainable development.

#### **Low Carbon, Energy-efficient and Renewable Energy Strategy**

With Singapore's impending carbon tax in 2019 and the increase in water tariff since July 2017, prudent businesses must map out their resource-efficient strategy and measures to manage rising costs. In 2017, CDL achieved the following:

- 32.8% reduction in carbon emissions intensity from 2007 levels, on track to meet its 38% target for 2030
- 27.3% reduction in energy use intensity from 2007 levels, achieving its 25% target for 2030 ahead of time
- Over S\$20 million savings in electricity bills as a result of energy-efficient retrofitting and initiatives implemented for eight CDL-managed commercial buildings from 2012 to 2017

As Singapore steps up its commitment to the Paris Agreement by designating 2018 as the Year of Climate Action, CDL is proactively taking steps to reduce its carbon emissions and reliance on fossil fuel energy. It targets to join RE100<sup>3</sup> – a global renewable energy campaign led by The Climate Group in partnership with CDP – by reviewing a 100% renewable energy target for its operations by 2050.

<sup>1</sup> Carbon emissions intensity refers to the amount of carbon emissions per square metre of floor area

<sup>2</sup> Energy use intensity refers to the amount of energy used per square metre of floor area

<sup>3</sup> <http://there100.org/>

## **Poised for Rise of Green Consumerism**

According to survey results by market research firm YouGov<sup>4</sup> released in January 2018, more than half of Singapore consumers prefer sustainable brands as they believe businesses have a responsibility to prevent environmental damage. The survey also found that 88% of Singaporeans think businesses have a responsibility to do social good. The results are consistent with other surveys such as the 2017 Nielsen's Global Sustainability Report, which points to a growing desire among Singapore consumers to verify the sustainability credentials of the products they buy<sup>5</sup>. Over the years, CDL has strived to develop buildings and spaces that are user-centric and environmentally-friendly. In 2017, CDL achieved the following:

- 100% of CDL's owned- and managed-office buildings attained Green Mark Gold<sup>PLUS</sup> and Platinum, the highest tier certification
- 100% tenant participation of CDL Green Lease Partnership Programme, which actively engages and encourages commercial tenants and occupants to adopt low-carbon practices at the workplace

## **Geared up for More Effective Climate-related Financial Disclosures**

Globally, investors and financiers are increasingly rewarding companies with good ESG performance. A 2017 MSCI study<sup>6</sup> showed that corporations with good ESG performance have outperformed in profitability and equity in the long term compared to those with poorer ESG performance. In 2017, CDL issued the first Green Bond by a listed Singapore company which raised S\$100 million as an alternative financing stream for CDL's green building efforts.

Many stock exchanges worldwide have also introduced measures that encourage listed companies to disclose their ESG performance. Supporting the call for better climate-related financial disclosures to inform longer-term investment decisions, CDL is among the first Singapore companies to pledge its support for the Recommendations of the Financial Stability Board (FSB)'s TCFD<sup>7</sup> launched in June 2017. TCFD comprises 32 members, including the Singapore Exchange (SGX), chosen by the FSB to represent users and preparers of disclosures from across the G20's constituency covering a broad range of economic sectors and financial markets.

As recommended by the TCFD, CDL has voluntarily published its climate-related financial disclosures in four key areas – governance, strategy, risk management, and metrics and targets –in its latest Integrated Sustainability Report. As more investors question the climate risk exposure of companies in their portfolio, scenario testing against climate change is expected to take centre stage in 2018. In line with the TCFD's recommendations, CDL has also commenced a climate change scenario analysis in early 2018 to assess climate-related risks and opportunities across its key portfolio in three major markets – Singapore, China and United Kingdom. CDL is studying two scenarios – a 2 degrees Celsius (°C) scenario and a business-as-usual 4°C scenario – to better inform its strategy in managing the financial impacts that climate change will have on its business. The study is slated to complete in mid-2018.

**Mr Sherman Kwek, CDL Group Chief Executive Officer, said,** "Sustainability is fast becoming the norm throughout the business ecosystem. From a very early stage, CDL has recognised the importance of ESG integration. For more than two decades, we have incorporated sustainability into our business and operations to futureproof our business and unlock value. More than just a developer of living and working spaces, we have strived to be a builder of lives and communities. Our long-standing commitment to innovation and green building has distinguished CDL as a trusted eco-developer and differentiated our products. The enhanced value of our manufactured capital has benefited our business, customers and investors, and supported the well-being and development of

<sup>4</sup> <https://sg.yougov.com/en-sg/news/2018/01/04/businesses-and-environmental-damage/>

<sup>5</sup> <http://www.businesstimes.com.sg/brunch/the-rise-of-responsible-consumerism>

<sup>6</sup> <https://www.msci.com/www/research-paper/foundations-of-esg-investing/0795306949>

<sup>7</sup> <https://www.fsb-tcfd.org/>

the communities which we operate in. This has not only raised our operational performance, resource efficiency and productivity, it has driven innovation, opened new opportunities and attracted like-minded investors.”

**Ms Yeo Lian Sim, a Vice Chair of the TCFD, said,** “The Task Force recommends what companies need to disclose so investors can assess and respond to climate-related opportunities and risks. Five Singapore companies have pledged their support for climate-related disclosures according to TCFD standards and CDL is one of these companies who have taken the lead. An important TCFD recommendation is for resilience of company strategy under different climate-related scenarios. CDL is undertaking this and should gain from what it learns as much as will investors from its disclosure.

CDL’s latest and 11<sup>th</sup> Integrated Sustainability Report continues to be in line with the Global Reporting Initiatives Standards and International Integrated Reporting Council’s Integrated Reporting principles, which CDL has adopted since 2008 and 2015 respectively. To ensure the level of accuracy and transparency, the Report is independently assured by Ernst & Young in accordance with the International Standard on Assurance Engagements 3000 (Revised).

More information on CDL’s sustainability efforts, CDL Future Value 2030 goals, targets and progress, as well as the full CDL Integrated Sustainability Report 2018 can be found on [www.cdlsustainability.com](http://www.cdlsustainability.com)

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