

# Global CSR/ESG Day Roundtable

18 February 2022

## Mobilising Capital for Action through Sustainability Integration and Reporting

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# A New Dawn for Sustainability (2020-2021): Global Convergence of Will & Commitment

## Health of Planet, People, Business & Economy is Interdependent > Resetting Ambition > Net-Zero

### COP26 Climate Pact

- Countries stepped up on Race to Zero and agreed to revisit 2030 climate plans by end 2022
- Urged countries to phase down coal and fossil-fuel subsidies
- Developed countries to provide greater clarity on finance pledges
- Carbon Markets Deal – Article 6 inked



Participating cities & organisations pledged to net zero: 90% Global GDP

- 3 Largest Economies in East Asia - China (2060), Japan & S Korea (2050)
- ASEAN countries: Indonesia(2060)
- Malaysia, Thailand, Vietnam (2050)
- India (2070)



### Glasgow Leaders' Declaration on Forests and Land Use

- More than 100 countries, including Singapore committed to **halt and reverse forest loss and land degradation by 2030**
- Backed by nearly **US\$20 billion** in public and private funding, including US\$7.2 billion of newly mobilised private-sector funding [Greenbiz, Nov 15 2021](#)



WORLD  
GREEN  
BUILDING  
COUNCIL

**Net Zero  
Carbon Buildings  
Commitment**

- Advancing Net Zero:156 signatories
- COP26: 44 pioneering signatories expanded Net Zero commitment to adopt whole-life carbon emissions approach for buildings; representing annual revenue of US\$85 billion, including CDL.
- This includes compensating for upfront embodied carbon and residual operational emissions, on top of reducing all operational carbon emissions by 2030 (data: Nov 2021)

### Net-Zero Asset Owner Alliance (Early 2019):

Global institutional investors made a bold commitment to transition investment portfolio to Net Zero by 2050

**Net-Zero Insurance Alliance (July 2021):** Global insurance using underwriting claims and risk management practices to help ensure and enable the transition to a resilient Net-Zero global economy

### Net-Zero Banking Alliance (Nov 2021):

>90 banks representing US\$66 trillion in assets (43% of global banking assets), committed to align lending and investment portfolios with net-zero emissions by 2050. Part of the Glasgow Financial Alliance for Net Zero (GFANZ).

### ASEAN Taxonomy for Sustainable Finance (10 Nov 2021):

The ASEAN Taxonomy serves as a reference point to guide capital and funding towards activities that can help promote the systemic transformation needed for the region.



**ASEAN Framework for Circular Economy for the ASEAN Economic Community** (21 Oct 2021): The Framework includes 5 strategic priorities to guide transition towards circular economy and highlights key enablers needed to scale up and accelerate transition.

# Sustainable Finance and ESG Investing Explode into the Mainstream in 2021

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## Investors, financiers and the entire capital market are pushing for ESG integration & disclosures

- The acronym “**ESG**” took over in the sustainability world, mainly because the financial sector are finally taking ESG serious.
- “There is no company whose business model won’t be profoundly affected by **the transition to a net zero economy ... companies not quickly preparing themselves will see their businesses and valuations suffer.**” This is a key message in the letter to corporate CEOs and investors by **Larry Fink**, Chairman and CEO of BlackRock, the largest asset manager in the world.
- Many leading banks agree that “managing climate and other ESG issues is core to business value”. JP Morgan, Citi, Morgan Stanley, and Bank of America have committed from **US\$1 trillion to US\$2.5 trillion to invest in climate action** (e.g. clean technologies) **and sustainable development** (e.g. affordable housing and efforts to improve racial/gender equity).
- At the **COP26**, a **new group representing US\$130 trillion** in assets (well above global annual GDP) formed the Glasgow Financial Alliance for Net Zero (>450 members: stock exchanges, banks, investors, insurers, service providers), co-chaired by Michael Bloomberg and former Bank of England head Mark Carney.  
**Source: Harvard Business Review: Sustainable Business Went Mainstream in 2021, by [Andrew Winston](#), 6 Jan 2022**
- **Sustainable bond issuance set an all-time record globally in 2021, surpassing USD1 trillion for the first time ever, a 45% increase over 2020.** Sustainable finance bonds make up **10%** of global debt issued in 2021.  
**Source: Asian Investor Feb 2022**

# Global Demand for Climate & Sustainability Disclosures: Capital Markets' Role in Reaching Net-Zero

FitchRatings

FITCH WIRE

## ISSB Could Help Unify Fragmented Sustainability Standards

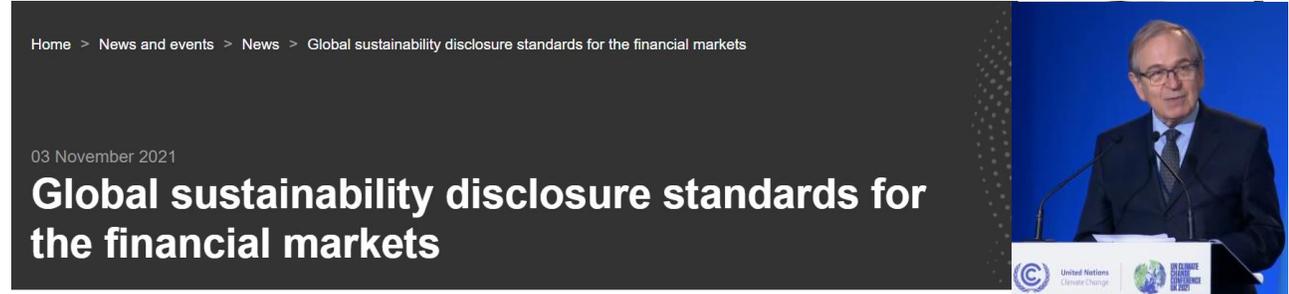
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THE BUSINESS TIMES

**“Sustainability, and particularly climate change, is the defining issue of our time . . . Investors require high-quality, transparent and globally comparable sustainability disclosures.”**

Erkki Liikanen, IFRS Foundation Trustees chair

IFRS



Erkki Liikanen, Chair of the IFRS Foundation Trustees (Trustees), delivered the following speech at COP26 on 3 November 2021. Speaking at the UN climate-change summit's Finance Day Presidency event titled 'A Financial System for Net Zero', he announced three significant developments to provide the global financial markets with high-quality disclosures on climate and other sustainability issues.

- **The International Sustainability Standards Board (ISSB), launched on 3 Nov 2021**, is designed to develop a comprehensive global baseline of sustainability disclosure standards to meet investor's information needs
- A **prototype** for climate and general disclosure requirements is available:
  - Result of 6 months' of joint collaboration by CDSB, International Accounting Standards Board (IASB), TCFD, the VRF, and the World Economic Forum, supported by the International Organisation of Securities Commission (IOSCO) and its technical expert group of securities regulators

**“Financial markets need to assess the risks and opportunities facing individual companies which arise from ESG issues, as these affect enterprise value. This is driving significant demand for high quality information...Voluntary reporting frameworks and guidance have prompted innovation and action, although fragmentation has also increased cost and complexity for investors, companies and regulators.”**

**- IFRS Foundation**



# A Sustainability-Focused Business Case: Committed to Conserving as We Construct Since 1995



**RESIDENTIAL**  
DEVELOPED OVER  
**47,000**  
LUXURIOUS RESIDENCES  
GLOBALLY



**COMMERCIAL**  
OWNS OVER  
**23 MILLION**  
**SQ FT**  
OF GROSS FLOOR AREA  
OF OFFICE, INDUSTRIAL,  
RETAIL, RESIDENTIAL AND  
HOTEL SPACE GLOBALLY



**HOTELS**  
GLOBAL FOOTPRINT OF  
**152**  
HOTELS,  
**44,000**  
ROOMS



**FUND MANAGEMENT**  
TARGETS  
**US\$5 BILLION**  
IN ASSETS UNDER  
MANAGEMENT (AUM) BY 2023

- **1963:** Established with eight employees
- **1995:** “Conserving as We Construct” corporate ethos
- **Today:** a listed international real estate operating company; >15,000 employees globally
- **Privatised M&C Hotels (Oct 2019)**
- **Group revenue: S\$2.1B (FY 2020)**
- **Total assets: S\$23.7B (FY2020)**



## 112 Locations in 29 Countries and Regions

ASIA			
<b>CHINA</b> • Beijing • Changsha • Changzhou • Chengdu • Chongqing • Dongguan • Fujian • Fuqing • Guizhou • Hangzhou • Hong Kong • Kunming • Ningbo • Qingdao • Shanghai • Shenzhen	• Suzhou • Tianjin • Wenjiang • Wuxi • Xiamen • Yantai • Zhengzhou • Zhenjiang	<b>MALAYSIA</b> • Cameron Highlands • Johor Bahru • Kuala Lumpur • Malacca	<b>TAIWAN</b> • Taichung • Taipei
<b>INDONESIA</b> • Jakarta	<b>JAPAN</b> • Tokyo • Osaka • Yokohama	<b>MALDIVES</b> • Meradhoo Island • Velavaru Island	<b>THAILAND</b> • Bangkok • Phuket
		<b>SINGAPORE</b> • Singapore	<b>PHILIPPINES</b> • Manila
		<b>SOUTH KOREA</b> • Seoul	
AUSTRALASIA			
<b>AUSTRALIA</b> • Brisbane • Melbourne • Perth	<b>NEW ZEALAND</b> • Auckland • Bay of Islands • Dunedin • Greymouth • Masterton	• New Plymouth • Paihia • Palmerston North • Queenstown • Rotorua	• Taupo • Te Anau • Wanganui • Wellington
MIDDLE EAST			
<b>IRAQ</b> • Sulaymaniyah	<b>OMAN</b> • Muscat • Mussanah • Salalah	<b>SAUDI ARABIA</b> • Ha'il • Madinah • Makkah • Tabouk	<b>UNITED ARAB EMIRATES</b> • Abu Dhabi • Dubai • Sharjah
<b>JORDAN</b> • Amman	<b>PALESTINE</b> • Ramallah	<b>QATAR</b> • Doha	<b>TURKEY</b> • Istanbul
<b>KUWAIT</b> • Al Jahra • Al Kuwait • Al Salmiya			
EUROPE			
<b>FRANCE</b> • Paris	<b>ITALY</b> • Rome • Florence	<b>UNITED KINGDOM</b> • Aberdeen • Birmingham • Cambridge • Cardiff • Dudley • Gatwick • Glasgow • Leeds • Liverpool	• London • Manchester • Newcastle • Plymouth • Slough-Windsor
<b>GEORGIA</b> • Tbilisi	<b>RUSSIA</b> • Moscow		
<b>GERMANY</b> • Munich	<b>THE NETHERLANDS</b> • Amsterdam • Utrecht		
NORTH AMERICA			
<b>UNITED STATES</b> • Anchorage • Avon • Boston • Buffalo	• Chagrin Falls • Chicago • Durham • Kissimmee	• Los Angeles • Minneapolis • Nashville • New York	• Scottsdale • Sunnyvale

# Integration – Leadership Commitment and Aligning All levels & Operational Units

## Sustainability Governance Structure



- **Leadership Commitment: Board Sustainability Committee (BSC)** has direct advisory supervision of CDL's Sustainability Strategy and Programmes
- **Sustainability Office as an Independent but Integrated unit:** reporting directly to BSC comprising 3 independent directors and CDL's Executive Director and Group CEO
- **CSO chairs the Sustainability Committee that comprises members across all departments and operational units**
- Line managers of each Business Units are held accountable for their ESG performances, which are **linked to their remuneration and appraisal**

# Green Buildings & Decarbonisation for Over Two Decades

## 2002-2009

- **2002: 1st Eco Condo** in Singapore using Solar Energy to power its clubhouse
- **2005:** Invested 2-5% of construction cost of each development project in green design and features
- **2005: CDL 5-Star EHS Awards** to recognise builders who excel in CDL's 5-Star EHS Assessment
- **2009:** Launched 1st CarbonNeutral® development in Singapore and APAC region, **11 Tampines Concourse. Carbon Neutralize HQ ops.**
- **2009:** Launched **Singapore's 1st Eco-mall, City Square Mall**



Carbon Neutral  
Tampines Concourse

## 2010-2014

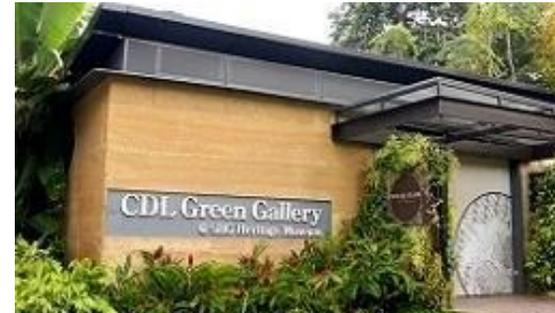
- **Since 2011:** CDL voluntarily sets minimum target for all new developments to be **Green Mark GoldPLUS** certified (2 levels above minimum requirement)
- **2013:** CDL built two **Net Zero** single-storey buildings – **CDL Green Gallery and Singapore Sustainability Academy**
- **2014:** CDL was the **first developer in Asia to adopt PPVC for a large-scale residential development** worldwide (The Brownstone EC)



1st Eco Mall in SG  
- City Square Mall

## 2015-2020

- **2016: NUS-CDL Smart Green Home & Tropical Technologies Labs**
- **2018:** Among first developers to pledge commitment to support the **BCA Super Low Energy (SLE) Building initiative.**
- **2020:** Established a **Smart, Sustainable and Super Low Energy (3S) Framework**, an expansion of CDL's EHS & Green Procurement guidelines & 100% Green Lease. Aligned to the BCA Green Mark SLE Building requirements and key international green building schemes, advancing users' health and well-being.



Net Zero CDL Green Gallery



Net Zero Singapore  
Sustainability Academy



# Embracing Global Goals into Business: Robust Climate & Carbon Management

## 2015-2016

- **2015: Climate Change Policy** to commit to low-carbon operations
- **2016: Early adopter of UN SDGs**
- **2016: 1st Singapore developer** to validate GHG emissions against **ISO 14064**



## 2017-2018

- **2017: One of few pioneering Singapore companies** to adopt **TCFD framework** in sustainability reporting
- **2017: Raised carbon emissions intensity target** from 25% to 38% by 2030
- **2018: First Singapore Developer** to have **SBTi-validated carbon reduction targets** (59% by 2030 vs 2°C warmer world)
- **2018: Set target to reduce embodied carbon** by 24% by 2030
- **2018: Completed 1<sup>st</sup> climate change scenario study** for 2°C and 4°C warmer scenarios



## 2019-2020

- **2019: Joined pioneer batch** of 87 companies to support UNGC's **Business Ambition for 1.5°C** campaign
- **2019: Commenced 2<sup>nd</sup> study** for a 1.5°C warmer scenario to align with IPCC's Special Report. Completed in 2020.
- **2020: Took the United Nations Climate Neutral Now Pledge**



## 2021

- **2021: Signed the WorldGBC's Net Zero Carbon Buildings Commitment**, pledging net zero operational carbon for buildings under direct control by 2030
- Validated **SBTi targets based on 1.5°C warmer scenario**
- Only Singapore RE company which participated in **Climate Impact X's Pilot Auction**



# CDL's Pledge to WorldGBC Net Zero Carbon Buildings Commitment (Nov 2021)



## City Developments Limited

Real Estate Company

- **Member of Singapore Green Building Council**

### **New developments & 13 Singapore assets**

- **247, 016 m<sup>2</sup> total floor area**
- **15, 044 tCO<sub>2</sub>e portfolio carbon emissions**
- **16, 922 average kgCO<sub>2</sub>e/m<sup>2</sup> Whole Life Carbon Footprint**
- **415 employees**



*A global real estate company with presence spanning 112 locations in 29 countries and regions. CDL's diverse portfolio comprises residences, offices, hotels, serviced apartments, shopping malls and integrated developments. Recognised as one of the most sustainable companies globally, CDL is committed to green building and climate action to build a sustainable future.*



a member of Singapore Green Building Council



## Scope of CDL's Commitment

### 1. Commit

Commit to achieving net-zero operational carbon for new and existing wholly-owned assets under direct operational and management control. Maximise reduction in embodied carbon and compensate for any residual upfront emissions via offsetting for new developments and major renovations.

### 2. Disclose

Measure and publicly disclose scope 1 and 2 emissions, embodied carbon emissions and energy consumption through annual reports. Assess annual asset and portfolio energy demand and carbon emissions against set targets.

### 3. Act

Reduce energy consumption for construction and operations of assets, through implementing energy efficiency measures and explore switching to 100% renewable energy through on-site production or procurement of clean energy e.g. REC. Adopt sustainable building designs, materials and supply chain practices to reduce upfront embodied carbon and offset any residual upfront emissions.

### 4. Verify

Demonstrate enhanced energy performance, reduced carbon emissions and progress towards net-zero carbon assets via third-party certification by aligning with recognised and industry leading local third-party certification and verification schemes. Verify and report lifecycle assessment for embodied carbon at asset level for new developments.

### 5. Advocate

A longstanding green building and sustainability champion, CDL will continue to engage and influence value chain and key stakeholders, to support and build [towards a wider transition to a net-zero whole life carbon built environment.](#)

# CDL's ESG Pillars & Deliverables >> Advancing Business Resilience & Sustained Growth

## Integration

*Integrated into our Business, Organisation & Governance Structure at all Levels.  
Integrated Reporting Framework and Approach.*

## Innovation & Adaptation

*Technologies & Solutions to Accelerate Green Building, a Low Carbon & Resilient Economy.*

## Investment

*Growing ESG Investing & Sustainable Financing Reward Green & Responsible Businesses. Accelerates Climate Action, Innovation & Communities.*

## Impact

*Reaching out to Value Chain & Larger Ecosystem of Stakeholders.  
Creating Positive Impact and Long-term Value for Business & the Environment.  
Prompt Reporting.*



## Decarbonisation

- Pledge for WorldGBC Net Zero Carbon Buildings Commitment
- Joined UNGC's "Business Ambition for 1.5°C" campaign
  - Green Buildings & Renewable Energy

## Digitalisation & Innovation

- Green Building Innovation & Technology to design, build and manage >> lower carbon footprint for new and existing assets

## Disclosure & Communication

- Efficient Tracking, Analysis & Reporting vs Goals/Targets
- Prompt & Transparent ESG disclosure
- Mobilising Funds/Finance to Advance Action

# CDL's Value Creation Model: Embracing Sustainability & Climate Resilience Since 1995

## Sustainability Integration and Robust Reporting since 2008:

**2008:** First Singapore company to publish a dedicated sustainability report using GRI standards

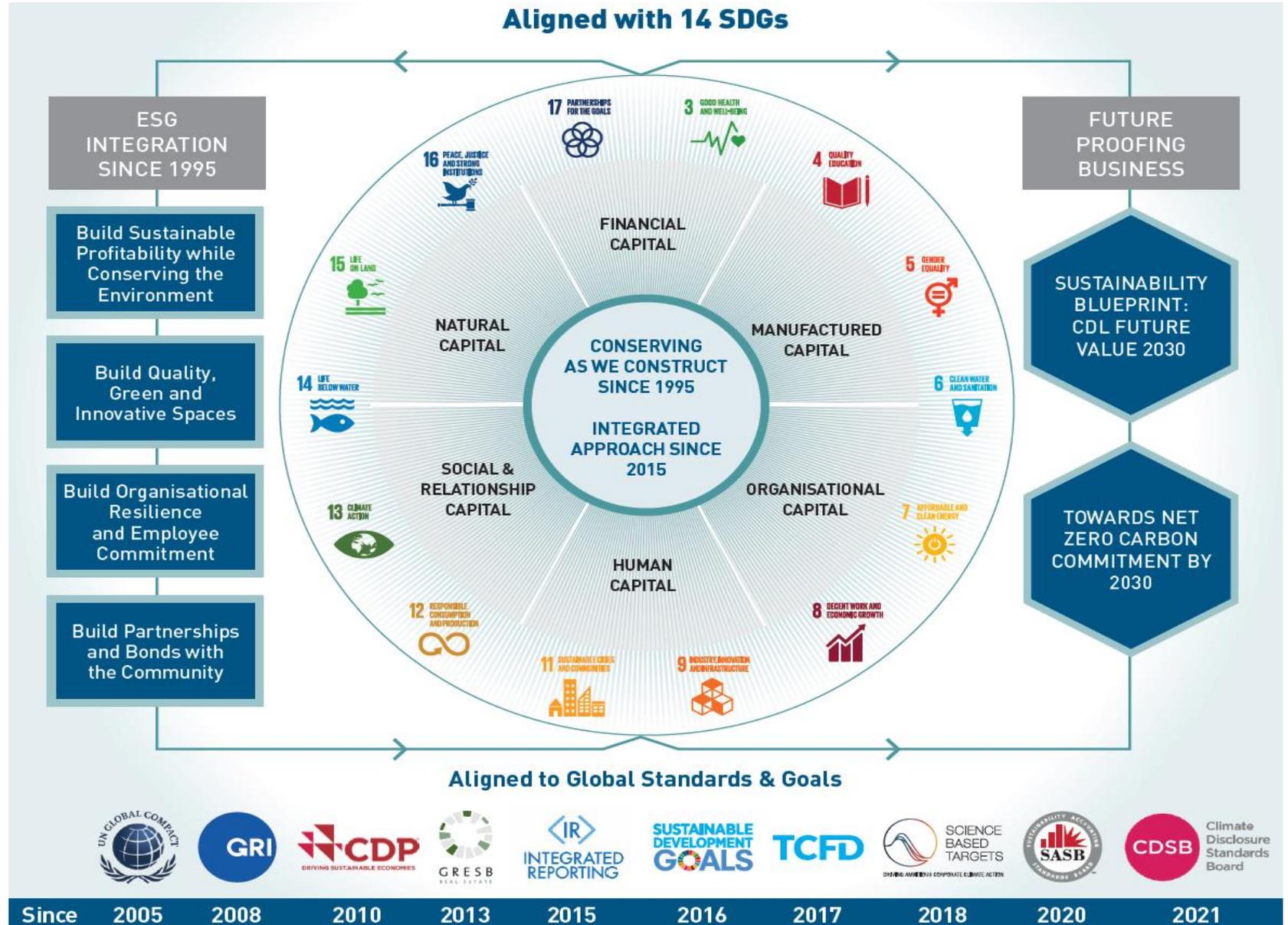
**2009:** GRI-checked & external assurance

**2017:** Issue the first Green Bond by a Singapore company

**2021:** Pledged to WGBC Net Zero Building Commitment

**2021:** Completed the development of a robust ESG reporting framework that harmonises two reporting standards and the relevant approaches, benchmarks and metrics.

## A BLENDED REPORTING FRAMEWORK.



# Engaging Value Chain Stakeholders to Accelerate SDGs via Collective Actions

## Double Materiality

- Inside-out and outside-in perspectives on ESG impact, financial and non-financial.
- Climate Change voted by stakeholders a top material issue for CDL since 2017
- Embracing Decarbonisation & Climate Action using lifecycle approach along our Value Chain
- Impact Analysis: how SDGs impact CDL's key strategy & operations as well as our stakeholders, and vice versa. That is how CDL's action impact on SDGs. (aligned with the Double Materiality approach)
- Helps us engage relevant stakeholders effectively in the ecosystem of stakeholders



# Strong ESG Track Record>> Access to Growing ESG Funds & Green Finance

Member of  
**Dow Jones  
Sustainability Indices**

Powered by the S&P Global CSA

**DJSI Asia Pacific and  
World Index, since 2011**



**2021 CDP A-List for Climate  
Action & Water Security  
(Reporting since 2008)**



**2022: Ranked Top  
Real Estate Company since 2020  
and 5<sup>th</sup> Globally this year;  
Listed since 2010**



**FTSE4Good  
Since 2002**



**Ranked 4<sup>th</sup> (2021)**



**'AAA' since 2010**



**Top Rated Regionally and in  
Industry, 2020 and 2021**



**Global Sector Leader,  
and Overall Regional  
Sector Leader  
(Diversified-  
Office/Retail), 2021**



**ESG Leaders Index  
ESG Transparency Index  
Since 2016**



**Rated Prime since  
2018**



**Since 2014**



**Bloomberg Gender  
Equality Index since 2018**



**Since 2018**



# Financial Impact: Tapping into Fast-Growing Sustainable Finance to Accelerate Action

## More than S\$3 billion of Sustainable Finance Secured Since 2017

Apr 2017  
S\$100m Green Bond



1st Green Bond issued by a Singapore company

Apr 2019  
S\$500m Green Loans



1st Green Loan for New Property Developments

Dec 2020  
S\$470m Green Revolving Credit Facility



Refinancing of Republic Plaza & other eligible green projects

Apr 2021  
S\$1.22bn Green Loan



By South Beach Consortium, CDL JV

Aug 2021  
S\$847m Green Loans



For 2 newly-acquired GLS sites at Northumberland Road & Tengah Garden Walk

### September 2019 S\$250m SDG Innovation Loan (Sustainability-linked Loan)

- First-of-its-kind sustainability-linked loan connected to innovation and SDGs
- **Aug 2021: Secured interest rate discount** based on successful pilot of DigiHUB by CBM (CDL's FM subsidiary) at Republic Plaza
- It has scaled up and is applied to properties of CDL and other buildings e.g. a government agency HQ & a few of its buildings



A SMART enterprise platform for building performance management developed by CBM to achieve manpower and resource efficiencies



# Sustainability Best Practices are Core to Building A Future-Fit Business Model

## The Business Case of ESG has never been Stronger

### Milton Friedman's Ideology is dead.

“For 50 years, every business leader in market-based economies has been trained in one core ideology – that the purpose of business is to serve only the shareholder. So sayeth the prophet Milton Friedman.

Given the **scale and urgency of climate change**, the moral imperative of tackling inequality, and the changing nature of financial markets, the quarterly-focused, **shareholder-first mantra is wildly unfit for today's world and is ultimately self-defeating.**

**We must kill the old philosophy if we want to survive. The sooner we understand this, the better.”**

~ Paul Polman

Former Unilever CEO; Honorary Chair of the International Chamber of Commerce and Vice-Chair of the UN Global Compact. An SDG advocate.



**SDGs help add purpose and build a Balanced & Strong Triple Bottom Line, for Today and Tomorrow**

# Advancing Change Resilience Through Imagination



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Canning Hill Piers (Artist's impression)