

CSR & Sustainability: Enhancing Business Competitiveness

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CITY DEVELOPMENTS LIMITED

Presentation by:

Esther An
Head, CSR &
Deputy General Manager (Corporate Affairs)



AGENDA

- **A Global Business Trend: CSR & Sustainability**
- **Integrating CSR into Core Business – Case Study on CDL**
- **Enhancing Business Competitiveness**



Why CSR - A Global Trend

“...business leadership cannot be sustained without showing leadership on environmental, social and governance issues.”

H.E. UN Secretary-General Ban Ki-Moon

Being reactive won't fly in today's world...Concerns about sustainability have become core concerns of society- and must become central elements of business strategy.

Daniel C. Esty and P.J. Simmons
The Green to Gold: Business Playbook (2011)



Strategic approach to CSR

“Corporations are not responsible for all the world’s problems, nor do they have the resources to solve them all. Each company can identify the particular set of societal problems that it is best equipped to help resolve and from which it can gain the greatest competitive benefit.”

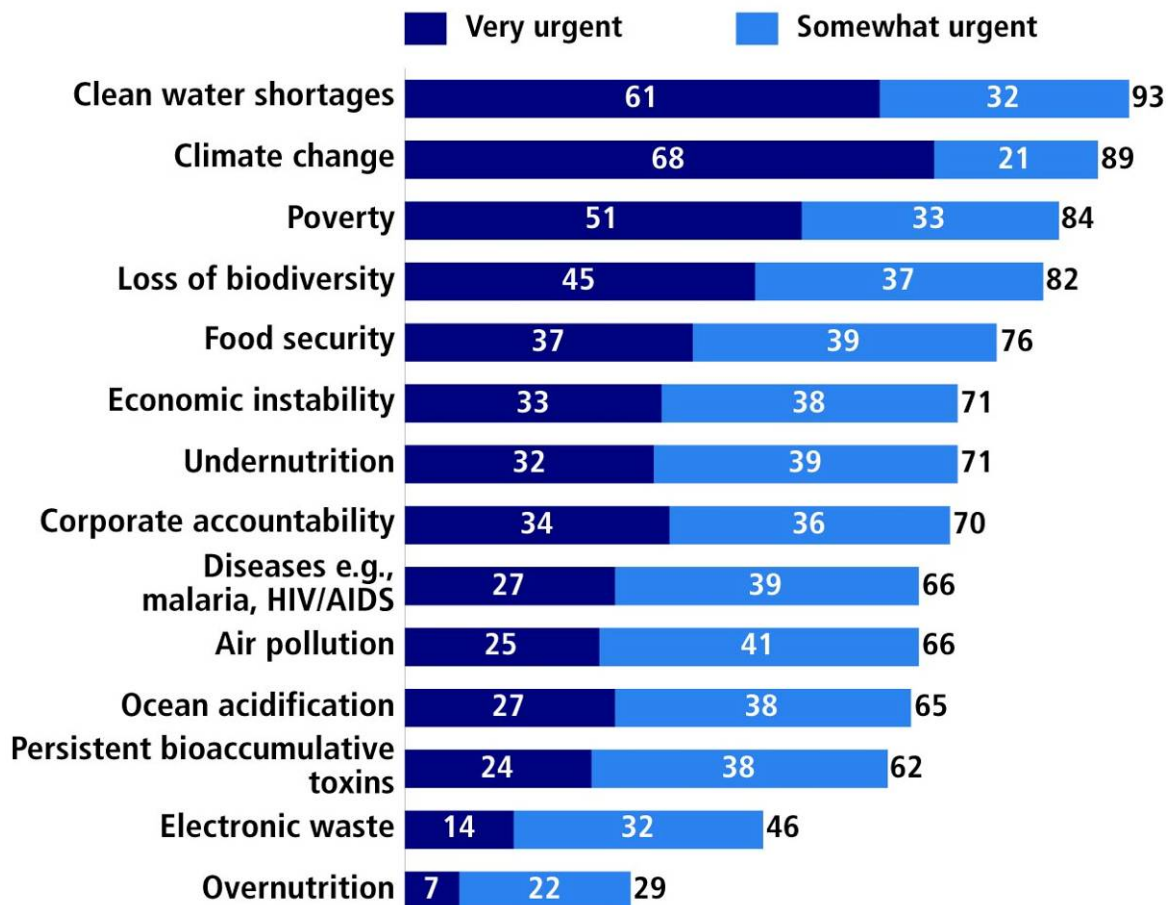
Professor Michael E Porter
Harvard Business School



Urgent Challenges Vs Sustainability

The Sustainability Survey 2009

1,500 qualified experts across different sectors from 90 countries surveyed

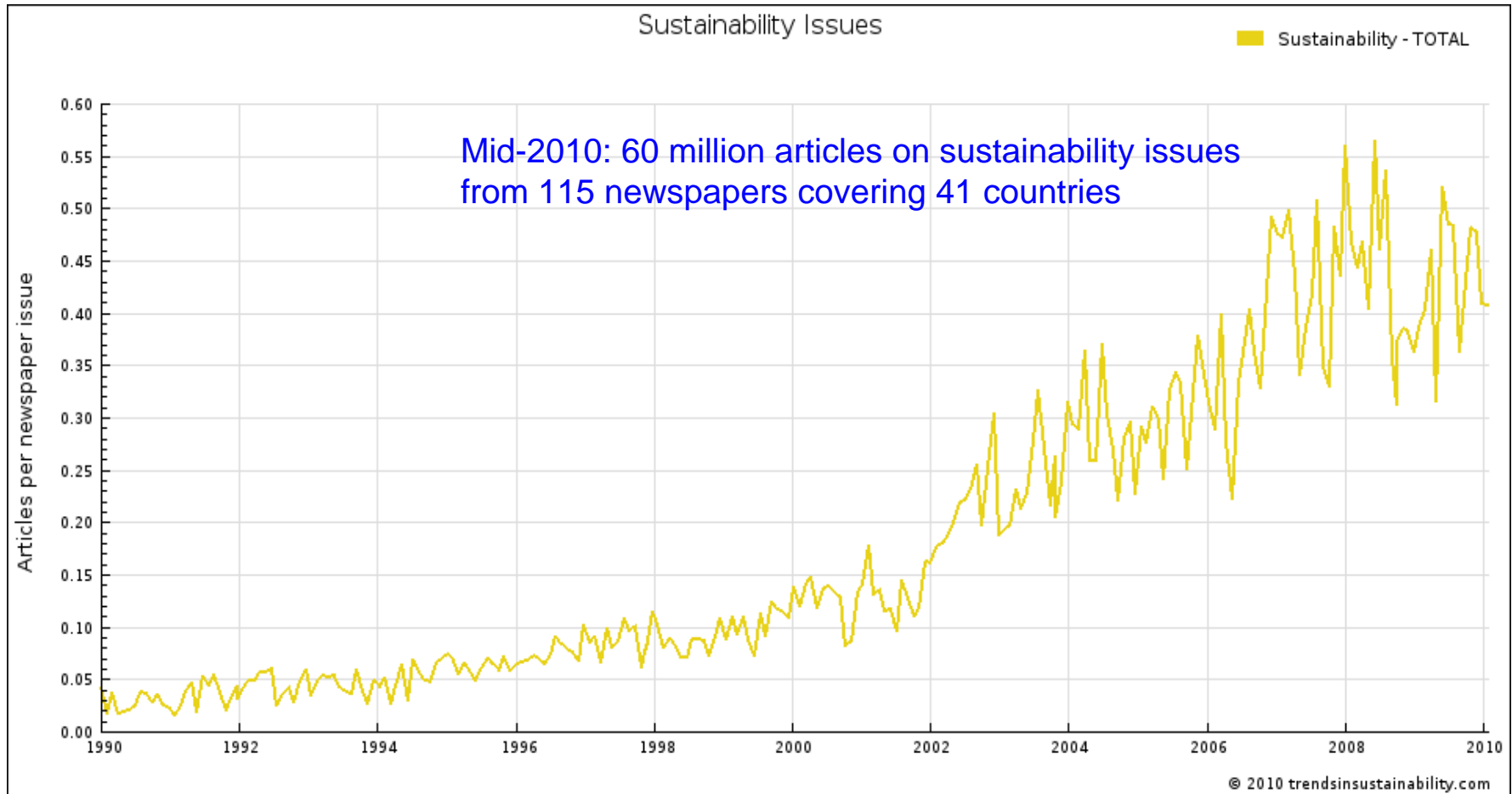


Source: [SustainAbility](#)

GLOBALSCAN



'Sustainability' in media: 1990-2010



Source: Trends in Sustainability, Queen's University Belfast. Search of 115 newspapers covering 41 countries for keywords related to sustainable development. Database draws from articles as far back as 1990. In mid-2010, this reflected a search of 60 million articles from 369,000 newspaper issues.



Multiple Drivers of CSR today

Investor Activism

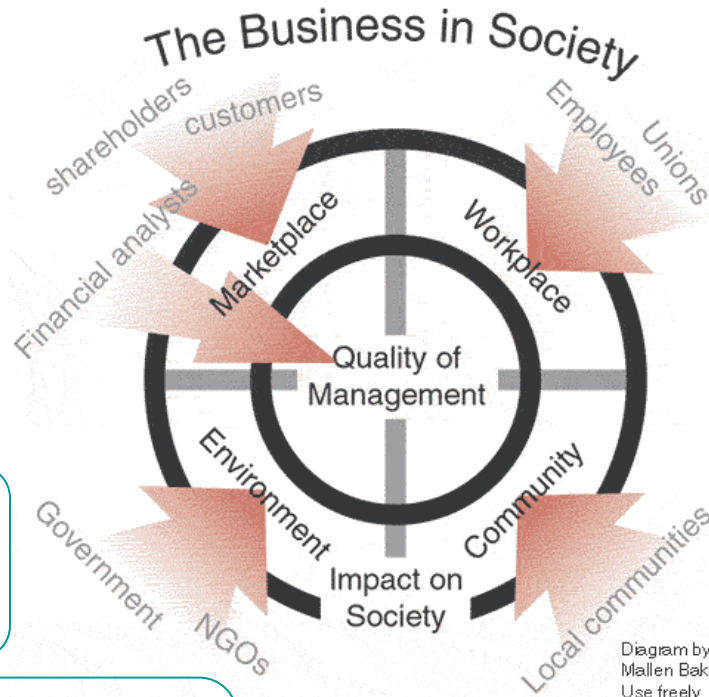
879 SRI Funds
managing
€75 billion in Europe

Carbon Disclosure Project
represents a combined
US\$64 trillion
under its management

More Regulations

From 2013, Singapore corporations that use 15 GWh of energy a year will be required to report energy use and submit plans to improve energy efficiency.

From 15 April 2008, require a minimum environmental sustainability standard that is equivalent to the Green Mark Certified Level for new buildings and existing buildings that undergo major retrofitting. The minimum environmental sustainability standard has been revised from 1 Dec 2010



Talent Attraction

Top Forum for the Future found that 78% of university applicants in 2007 believed that "lifestyles need to change across the board, or in many areas, for human civilisation to survive the next 100 years."

Values and ethics, transparency and accountability to society, arguments, all of them operating in key attraction of "talent".
PricewaterhouseCoopers

Community Welfare

"Prosperous companies can only exist in a stable prosperous world."

Minister Vivian Balakrishnan,
Asian Forum on CSR, November 2008

Growing influence of
Various social media platforms
and NGOs



A scenic view of a long, straight asphalt road stretching through a desert landscape. The road has a double yellow line in the center and white lines on the edges. The landscape features red rock mountains and sparse vegetation. The sky is blue with scattered white clouds.

Integrating CSR into Core Business: A Case Study on CDL

Leadership Vision on Sustainability

Conserve & Construct

“Companies with sustainability in their DNA are more resilient and make a better business model for success and long term growth.

As building sector has been seen as ‘destroying before constructing’, CDL as a developer is determined to change this perception and committed to transforming our business strategy to one that “conserves as we construct” for long term sustainability.

From design, construction, procurement, maintenance and even user engagement, the entire cycle must be aligned with environmental sustainability in mind.”

- Kwek Leng Joo, Managing Director, CDL



CDL's CSR Journey

1960s: The Spirit Of 'Giving Back' & Philanthropy

CDL's late founder's belief in sharing the success of the company with the community

mid 1990s: Vision & Mission with CSR integrated in business/operations

- International Benchmark & Standards Adopted
- Broad range of Stakeholder Engagement
- Accolades & Awards

Today: Go Beyond Practicing CSR

- Initiating new CSR Programmes for wider audience
- Advocating CSR to Stakeholders
- Tracking & Reporting for Continued Improvement

1960s

Mid 1990s

2000

Present



Integrating CSR in Business & Operations

Corporate Vision

To maintain industry leadership in innovation, product quality, service standards, profitability and **corporate social responsibility**

CSR Mission

To be a responsible corporate citizen who is committed to creating value for stakeholders, conducting **sustainable business practices**, caring for the community and protecting the environment.

Leadership Commitment

CSR forms an integral part & is led by top management

Corporate Culture

Engaging all staff and integrating CSR in operations

Strategy

Community Outreach

*Educate and Influence
Community-at-large/
Supply Chain*



CDL's Holistic CSR Framework



Aligning CSR practices with ISO26000 Guidance on Social Responsibility



CDL's CSR Strategy – ABC Model

Align

Align business model and identify sustainability opportunities, taking a holistic, life-cycle approach in green buildings

Build

Build capabilities by investing in research & innovation to reduce environmental impact of both products & operations

Cultivate

Create awareness and cultivate a culture of change by inspiring employees and value chain

Deliver

Deliver innovation and sustainability goals through tracking, reporting and continued improvements

Embrace

Embrace and continue to lead change; and be well-positioned to benefit from changes to the operating environment



Align business model with sustainability in mind, taking a holistic, life-cycle approach

DEVELOP

Quality properties with environmental sustainability in mind

MANAGE

Cost-Effective & Energy Efficient Approach

INFLUENCE

Stakeholders through green outreach initiatives



Build capabilities through innovation in products & practices

- **Established Environmental, Health & Safety (EHS) Policy in 2003**
- **First to introduce green building practices**
- **Investment of 2 to 5% of the construction cost of a project on green designs and features**

Voluntary effort in Green Mark before legislation in April 2008



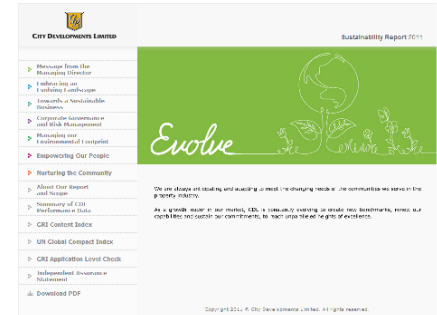
Cultivate and create awareness by engaging key stakeholders



*These programmes highlighted in the chart are only key initiatives. They are by no means exhaustive.



Deliver results and achieve sustainability goals thru tracking, reporting & continued improvements



CDL Social & Environment Report 2008
Data from 2005-2007

CDL Sustainability Report 2009
Data from 2005-2008

CDL Sustainability Report 2010
Data from 2005-2009

CDL Sustainability Report 2011
Data from 2005-2010



Embrace and continue to lead change

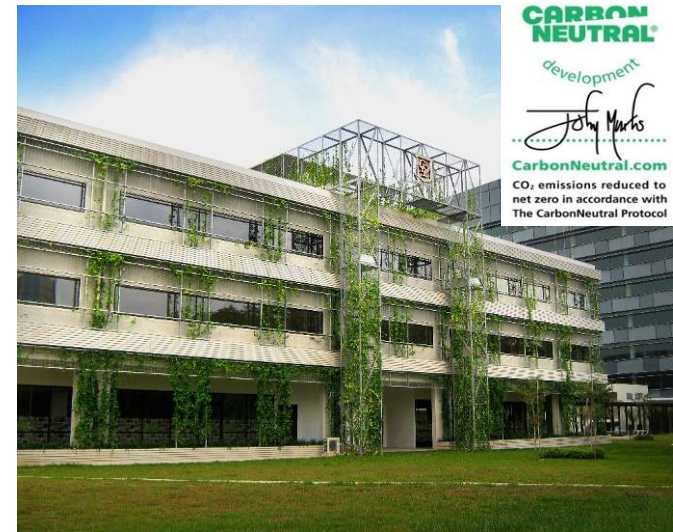
- R&D investment in green building even before legislation, achieved highest number of Green Mark Awards
- Investing in Green Technology & Industry Capabilities
- First Singapore corporate to undertake offset of CO₂ to Net Zero for a commercial development & the corporate office operations, ahead of regulation

Tampines Grande

Largest use of Solar Photovoltaic & Solar Thermal Panels

Achieved LEED (Leadership in Energy & Environmental Design Rating Design) Gold Certification in the Core and Shell Category

Tampines Concourse



**First CarbonNeutral®
development
in S'pore & Asia Pacific**



Enhancing Business Competitiveness



Product Innovation & Differentiation plus Cost Saving



The Oceanfront @ Sentosa Cove

First private residential development awarded **BCA Green Mark Platinum** in 2007, demonstrating **30% energy and water savings**.

Residents can enjoy **energy savings of up to \$1,000 per year** on average from energy efficient air-conditioners in their apartments



City Square Mall

First private commercial development awarded **BCA Green Mark Platinum** in 2007.

Singapore **First Eco-Mall** to be integrated with an urban park.

Enjoys **over \$2 million or 34% in energy savings** from green design and innovation each year.



Return on Investments & Innovation

Green buildings: Bright ideas to cut power use

By ELIZABETH WILMOT

A COMBINATION of energy-saving factors to slash consumption and a cutting-edge solar technology called photovoltaics can add up to what every boss wants – a zero-energy building.

Zero energy means the building is sustained with renewable sources of power, which saves hugely on costs over the long term.

It is a Holy Grail but highly achievable, said Mr Poul Kristensen, managing director of IEN Consultants, a Kuala Lumpur-based company that advises clients on green buildings.

He told the Institute of Southeast Asian Studies yesterday about office buildings in Malaysia that would typically



An artist's impression of BCA Zero-energy Building, Singapore's first energy-saving building being built by the Building and Construction Authority. PHOTO: BCA

Energy-efficient server rooms, lighting, office equipment and proper insulation to prevent unnecessary heat loss and wastage can also cut power use.

With the reduced consumption, the building can then rely on solar panels integrated in the roof and walls to provide the rest of the needed energy.

The PTM Zero Energy Office of the Malaysia Energy Centre in Selangor is one ex-

oped in Canada, the United States, Germany and Switzerland.

Singapore's Building and Construction Authority is also aiming to turn an existing block of its academy into one powered by solar panels.

The task comes with challenges. Constructing an energy-efficient building can increase costs by up to 21 per cent. The figure jumps to 45 per cent if photovolta-

“Constructing an energy-efficient building can increase costs by up to 21%. The figure jumps to 45% if photovoltaic technology is included...”

“It may be more expensive at first but after the payback time, which is between 5 and 10 years, the cost savings are for a lifetime.”

- Poul Kristensen, MD of IEN Consultants



Stronger Branding & Reputation



Business

- Global 100 Most Sustainable Corporations
- Outstanding Sustainability Award (2010) -SBF
- Ranked Top in Spore & listed developers in the Asian Sustainability Rating (2010)
- Singapore Quality Class (2009)
- **FTSE4Good Social Index Series (Since 2002)**



Projects & Operations

- Inaugural Green Mark Platinum Champion (2011)
- BCA Built Environment Leadership Platinum Award (2009)
- BCA Green Mark Champion (2008)
- **Highest BCA Green Mark Awards (2005-2011)**



Community -at-large

- President Award for the Environment (2007)
- President Award for Social Service (2007)
- Friends of the Arts Award (since 1999)



Strengthened Global Presence

CDL was **only Singapore company** amongst the Corporate Knights Global 100 Most Sustainable Corporations in the World announced annually at the World Economic Forum. CDL has been listed since 2010.



Global100 is an annual project initiated by Corporate Knights, a partner of the Global Sustainability Research Alliance, which contracted Innovest Strategic Value Advisors to identify the top 100 publicly traded MSCI World-listed companies relative to their industry peers, from ESG perspective.



Strengthened Regional Presence



ASR Real Estate Ranking

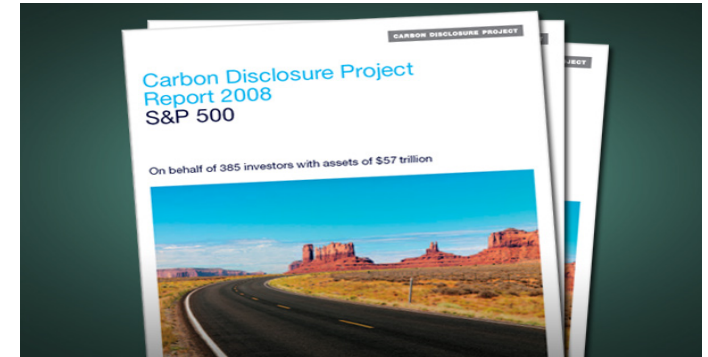
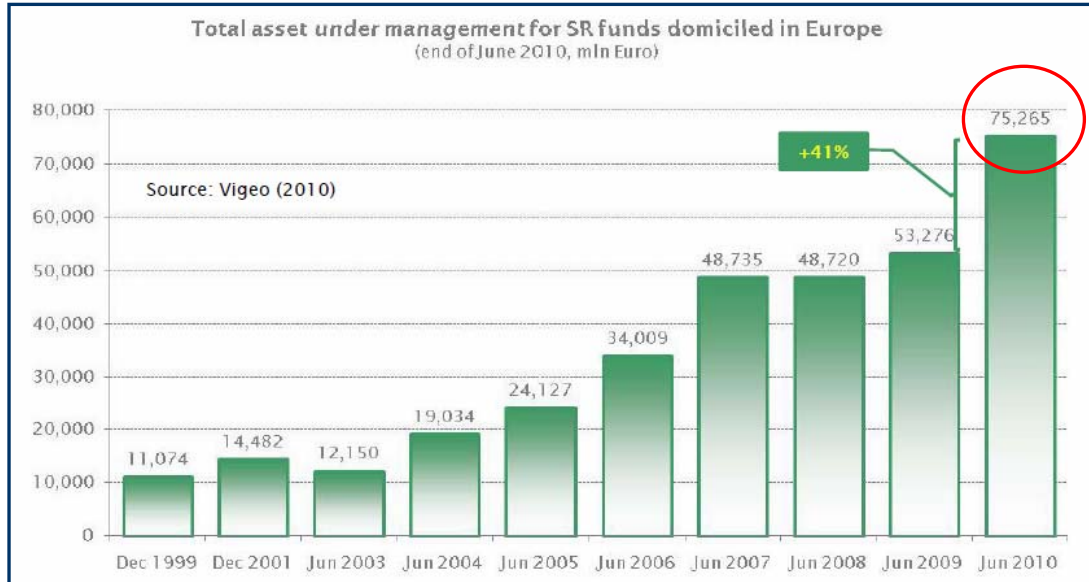
ASR™	Companies	Country	Code	Gen.	E	S	G	ASR™
Leaders	City Developments	Singapore	CIT: SP	92%	95%	84%	75%	84%
	Ayala Land	Philippines	ALI: PM	85%	85%	68%	75%	77%
	CapitaLand	Singapore	CAPL: SP	69%	85%	80%	50%	69%
Laggards	Gemdale	China	600383: CH	0%	0%	32%	0%	9%
	Gemdale	China	0023336: CH	0%	0%	14%	2%	4%
	Indiabulls	India	IBREL: IN	0%	10%	4%	0%	3%
Global Peers	British Land	UK	BLND: LN	91%	90%	84%	92%	88%
	Jones Lang LaSalle	US	JLL: US	100%	80%	81%	88%	86%
	Lend Lease	Australia	LLC: AU	82%	95%	94%	92%	82%

Company	Exchange	Position	ASR™
Taiwan Semiconductor Manufacturing Company	Taiwan	1	87%
United Microelectronics Corporation	Taiwan	2	86%
China Light & Power Holdings Ltd	Hong Kong	3	84%
City Developments Limited	Singapore	4	84%
Wipro Ltd	India	5	83%
Taiwan Cement Co Ltd	Taiwan	538	3%
Indiabulls Real Estate Ltd	India	539	3%
Cheng-Shin Rubber Ind. Co. Ltd	Taiwan	540	3%
GS Holdings Corporation	Korea	541	3%
PT Delta Dunia Makmur Tbk	Indonesia	542	3%



Improved Investor Relations

Well-positioned to attract global investors, SRI funds in particular



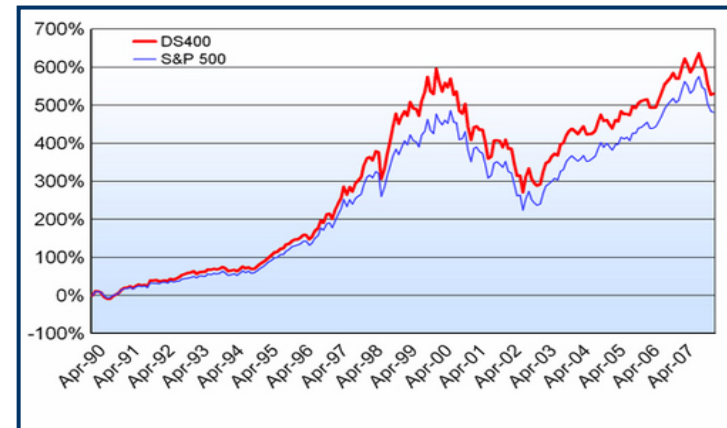
Carbon Disclosure Project
representing a combined US\$64 trillion under management
www.asria.org

879 SRI Funds managing €75 billion in Europe

Vigeo CSR Ratings 2010 (41% growth from 2009)

Domini 400 Social Index

*DS400 Cumulative Performance as of 2008
(KLD Research, Analytics)*



CDL's CSR Initiatives – Benefits Pathway





Conserving the Environment Caring for the Community

visit www.cdl.com.sg