



News Release

4 December 2023

CDL SECURES OCBC 1.5°C LOAN – SINGAPORE’S FIRST NET ZERO-ALIGNED LOAN FOR CORPORATES TO DRIVE TRANSITION TO A LOW-CARBON ECONOMY

- **CDL marks new sustainable financing milestone with £200 million sustainability-linked loan from OCBC aligned to a 1.5°C pathway**
- **Reflects CDL’s commitment to decarbonising its business via its initial net-zero carbon target by 2030 for new and existing wholly-owned assets and developments under its direct operational and management control**
- **Brings CDL’s total sustainable financing secured to date to around S\$6 billion**

City Developments Limited (CDL) marks a new sustainable financing milestone as the first corporate to obtain the [OCBC 1.5°C loan](#), with interest rate incentives pegged to annual decarbonisation performance targets. The three-year £200 million (approximately S\$338.2 million¹) sustainability-linked revolving credit facility (RCF) will be utilised for refinancing, general corporate funding and working capital purposes.

The 1.5°C loan provided by OCBC is a new financing solution launched earlier this year to incentivise corporates to set and work towards clear carbon emissions reduction targets aligned with internationally recognised, science-based net-zero decarbonisation pathways for their sectors. When the annual targets are met or exceeded, corporates will get a reduced interest rate on their loans. The reference pathways, developed by autonomous global organisations, are geared towards achieving a net zero level of greenhouse gas emissions (GHG) by 2050 to limit global warming to 1.5°C above pre-industrial levels.

The sustainability-linked loan is aligned with CDL’s commitment to achieve operational net zero by 2030 for its new and existing wholly-owned assets and developments under its direct operational and management control, with the entire portfolio achieving operational net zero by 2050. As part of the loan terms, CDL will enjoy interest rate reductions upon meeting the pre-agreed annual decarbonisation performance targets, in line with CDL’s Science Based Targets initiative (SBTi)-validated targets of a reduction in GHG emissions intensity by 63% per square metre leased area (Scope 1 and 2), 41% per square metre gross floor area (Scope 3 GHG emissions from purchased goods and services) and 58.8% including hotels managed by CDL’s wholly-owned hotel subsidiary, Millennium & Copthorne Hotels Limited (Scope 3 GHG emissions from investments), against its 2016 baseline, by 2030.² The performance measurements will be externally assured. In 2022, CDL achieved a 24% reduction in carbon emissions intensity, against its baseline year. It achieved a 10% reduction in total operational carbon emissions across all its business operations in Singapore compared to 2021 as well as a 22% reduction in embodied carbon of building materials compared to the conventional equivalents.

Ms Yiong Yim Ming, Group Chief Financial Officer, CDL, said: “We are delighted to partner OCBC in this new financing solution that allocates capital to support climate action and achieve measurable decarbonisation impact. This first-of-its-kind sustainability-linked loan directly

¹ Based on an exchange rate of £1 = S\$1.6909

² Refer to [CDL Integrated Sustainability Report 2023](#), page 57 for more details

incentivises decarbonisation performance and reflects our focus on aligning our capital management matrix with our sustainability commitment. Since 2017, we have embarked on alternative financing avenues to channel capital towards building smarter, greener and more climate-friendly infrastructure. With rising investor expectations and a global shift to a low-carbon economy, we will continue to explore more sustainable financing initiatives aimed at developing green buildings that enhance our emissions pathways to reach our decarbonisation targets. By aligning finance with sustainability, the investment community and corporates can collectively drive capital mobilisation towards delivering positive impact.”

Ms Elaine Lam, Head of Global Corporate Banking, OCBC, said: “We are pleased to partner CDL on the first OCBC 1.5°C loan. Ranked by Corporate Knights as the world’s most sustainable real estate management and development company and Singapore’s most sustainable company, CDL has established ambitious SBTi-validated 1.5°C targets towards net zero and put in place a rigorous action plan to achieve these targets. We look forward to supporting CDL and gaining more insights into their transition strategies and progress on their targets going forward. As the low-carbon race intensifies and more companies chart out their net-zero journeys, we stand ready to support their decarbonisation ambitions. After all, the only viable way for us to reach net zero in our financed emissions is for our clients to reach net zero in their emissions.”

The OCBC 1.5°C loan reflects OCBC’s longstanding commitment to support its customers on their net-zero journeys. The insights gained from working with corporates that take up the OCBC 1.5°C loan will help the Bank better support their transition plans with suitable advisory and financing solutions.

Since 2015, CDL has established a Climate Change Policy and set climate-related targets in 2017 to mitigate its environmental impact. Over the years, it has continued to transition towards net-zero and refine these targets in line with its corporate commitments towards climate action. In 2021, CDL was the first real estate developer in Singapore and the first real estate conglomerate in Southeast Asia to sign the WorldGBC’s Net Zero Carbon Buildings Commitment.

With this latest 1.5°C loan, CDL has secured around S\$6 billion of sustainable financing in the form of a green bond, various green loans and sustainability-linked loans to date, starting with [its launch of the first green bond by a Singapore company in 2017](#).

About City Developments Limited (www.cdl.com.sg)

City Developments Limited (CDL) is a leading global real estate company with a network spanning 143 locations in 28 countries and regions. Listed on the Singapore Exchange, the Group is one of the largest companies by market capitalisation. Its income-stable and geographically diverse portfolio comprises residences, offices, hotels, serviced apartments, student accommodations, retail malls and integrated developments.

With a proven track record of 60 years in real estate development, investment, and management, the Group has developed over 50,000 homes and owns over 21 million square feet of gross floor area in residential for lease, commercial and hospitality assets globally.

Along with its wholly-owned hotel subsidiary, Millennium & Copthorne Hotels Limited (M&C), the Group has over 155 hotels worldwide, many in key gateway cities.

For more information on CDL, please visit www.cdl.com.sg.

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About OCBC (www.ocbc.com)

OCBC is the longest established Singapore bank, formed in 1932 from the merger of three local banks, the oldest of which was founded in 1912. It is one of the world's most highly-rated banks, with Aa1 by Moody's and AA- by both Fitch and S&P. Recognised for its financial strength and stability, OCBC is consistently ranked among the World's Top 50 Safest Banks by Global Finance and has been named Best Managed Bank in Singapore by The Asian Banker.

OCBC is the second largest financial services group in Southeast Asia by assets. The Group offers a broad array of commercial banking, specialist financial and wealth management services, ranging from consumer, corporate, investment, private and transaction banking to treasury, insurance, asset management and stockbroking services.

OCBC's private banking services are provided by its wholly-owned subsidiary Bank of Singapore, which operates on a unique open-architecture product platform to source for the best-in-class products to meet its clients' goals. Its insurance subsidiary, Great Eastern Holdings, is the oldest and most established life insurance group in Singapore and Malaysia. Its asset management subsidiary, Lion Global Investors, is one of the leading asset management companies in Southeast Asia.

The Group's key markets are Singapore, Malaysia, Indonesia and Greater China. It has more than 410 branches and representative offices in 19 countries and regions.

For more information, please visit www.ocbc.com.

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