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working world

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 2014 ('the Report') as detailed in the 'Subject Matter' below.

The management's responsibility

CDL's Sustainability Report 2014 has been prepared by the Management of City Developments Limited, which is responsible for the collection and presentation of the information it contains and for maintaining adequate records and internal controls that are designed to support the sustainability reporting process. There are currently no legally prescribed requirements 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 2013 to 31 December 2013 and our responsibility does not include:

- Any work in respect of sustainability information published elsewhere on City Development Limited's annual report, website and other publications,
- Sustainability information prior to 01 January 2013 and subsequent to 31 December 2013, 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 sustainability reporting guidelines of the Global Reporting Initiative (GRI G3.1) 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 3000³⁰ Assurance Engagement Other Than Audits or Reviews of Historical Financial Information. We have also considered the GRI G3.1 reporting guidelines 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.

Scope of work

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

Subject matter

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

1. Environmental

- Aspect: Materials
 - EN1 Materials used by weight
 - EN2 Percentage of materials used that are recycled input materials
- Aspect: Energy
 - EN3 Direct energy consumption by primary energy source
 - EN4 Indirect energy consumption by primary source
- Aspect: Water
 - EN8 Total water withdrawal by source
 - EN11 Location and size of land owned, leased, managed in, or adjacent to, protected areas of high biodiversity value outside protected areas
- Aspect: Emissions, Effluents and Waste
 - EN16 Total direct and indirect GHG emissions by weight
 - EN22 Total weight of waste by type and disposal method
- Aspect: Compliance
 - EN28 Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environment laws and regulations

2. Labour practices and decent work

- Aspect: Employment
 - LA1 Total workforce by employment type, employment contract, and region, broken down by gender
 - LA2 Total number and rate of new employee hires and employee turnover by age group, gender and region
 - LA15 Return to work and retention rates after parental leave, by gender
- Aspect: Occupational Health & Safety
 - LA6 Percentage of total workforce represented in formal joint management worker health and safety committees that help monitor and advise on occupational health and safety program
 - LA7 Rates of injury, occupational diseases lost days, and absenteeism, and number of work related fatalities by region and gender

- Aspect: Training and Education
 - LA10 Average hours of training per year per employee by gender and by employee category
- Aspect: Diversity and Equal Opportunity
 - LA13 Composition of governance bodies and breakdown of employees per employee category according to gender, age, minority group membership and other indicators of diversity

3. Human rights

- Aspect: Investment and Procurement Practices
 - HR3 Total number of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained
- Aspect: Non-Discrimination
 - HR4 Total number of incidents of discrimination and corrective actions taken

4. Society

- Aspect: Local Community
 - S01 Percentage of operations with implemented local community engagement, impact assessments, and development programs
- Aspect: Corruption
 - S02 Percentage and total number of business units analysed for risks related to corruption
 - S03 Percentage of employees trained in organisation's anti-corruption policies and procedures
- Aspect: Public Policy
 - S05 Public policy positions and participation in public policy development and lobbying
- Aspect: Compliance
 - S08 Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations

5. Product responsibility

- Aspect: Product and Service Labelling
 - PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction
- Aspect: Marketing Communications
 - PR6 Programmes for adherence to laws, standards and voluntary codes related to marketing communications including advertising, promotion and sponsorship

³⁰ International Federation of the Accountants' International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISEA3000)

6. Economic

xviii. Economic Performance

- EC1 Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments
- EC3 Coverage of the organisation's defined benefit plans and obligations
- EC4 Significant financial assistance received from the government

xix. Indirect Economic Impacts

- EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement

7. Construction and real estate sector supplement

xx. Aspect: Energy

- CRE 1 Building energy intensity

xxi. Aspect: Water

- CRE 2 Building water intensity

xxii. Aspect: Emissions, Effluents, and Waste

- CRE 3 Greenhouse gas intensity from buildings
- CRE 4 Greenhouse gas emissions intensity from new construction and redevelopment activity

xxiii. Occupational Health and Safety

- CRE 6 Percentage of the organisation operating with verified compliance with an internationally recognised health and safety management system

xxiv. Product and Service Labelling

- CRE 8 Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment

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 multiple visits to 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 Committee, Human Resources, Property & Facilities Management, Marketing, Environment Health & Safety, Customer Service, Internal Audit, Enterprise Risk Management, Projects, 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 2014. In conducting our assurance engagement we have met the independence requirements of the Institute of Singapore Chartered Accountants, Code of Professional Conduct and Ethics. 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.



Signed for Ernst & Young LLP by
K Sadashiv

Partner, Climate Change and Sustainability Services
Singapore, 29 April 2014

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,