



Building a better 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 2015 ('the Report') as detailed in the 'Subject Matter' below.

### The Management's Responsibility

CDL's Sustainability Report 2015 has been prepared by the Management of CDL, 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 2014 to 31 December 2014 and our responsibility does not include:

- Any work in respect of sustainability information published elsewhere on CDL's annual report, website and other publications,
- Sustainability information prior to 01 January 2014 and subsequent to 31 December 2014, 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 G4) 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 3000<sup>32</sup> Assurance Engagement Other Than Audits or Reviews

of Historical Financial Information. We have also considered the Global Reporting Initiative G4 ('GRI G4') 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. Economic:

- **EC1** Direct economic value generated and distributed
- **EC3** Coverage of the organization's defined benefit plan obligations
- **EC5** Ratios of standard entity level wage by gender compared to local minimum wage at significant locations of operation
- **EC6** Proportion of senior management hired from the local community at significant locations of operation

#### 2. Environmental:

- **EN1** Materials used by weight or volume
- **EN2** Percentage of materials used that are recycled input materials
- **EN3** Energy consumption within the organization
- **EN5** Energy intensity
- **EN6** Reduction of energy consumption
- **EN7** Reductions in energy requirements of products and services
- **EN8** Total water withdrawal by source
- **EN10** Percentage and total volume of water recycled and reused
- **EN12** Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.
- **EN15** Direct Greenhouse Gas (GHG) emissions (scope 1)
- **EN16** Energy indirect Greenhouse Gas (GHG) emissions (scope 2)
- **EN17** Other indirect Greenhouse Gas (GHG) emissions (scope 3)
- **EN18** Greenhouse Gas (GHG) emissions intensity
- **EN19** Reduction of Greenhouse Gas (GHG) emissions
- **EN23** Total weight of waste by type and disposal method
- **EN29** Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations

#### 3. Social: Labor Practices and Decent Work:

- **LA1** Total number and rates of new employee hires and employee turnover by age group, gender and region
- **LA3** Return to work and retention rates after parental leave, by gender
- **LA5** Percentage of total workforce represented in formal joint management – worker health and safety committees that help monitor and advise on occupational health and safety programs
- **LA6** Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender

<sup>32</sup> International Federation of the Accountants' International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE3000)

- **LA9** Average hours of training per year per employee by gender, and by employee category
- **LA10** Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings
- **LA11** Percentage of employees receiving regular performance and career development reviews, by gender and by employee category

#### 4. Social: Society:

- **S01** Percentage of operations with implemented local community engagement, impact assessments, and development programs
- **S03** Total number and percentage of operations assessed for risks related to corruption and the significant risks identified
- **S04** Communication and training on anti-corruption policies and procedures
- **S05** Confirmed incidents of corruption and actions taken
- **S08** Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations

#### 5. Social: Product Responsibility:

- **PR5** Results of surveys measuring customer satisfaction
- **PR9** Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services

#### 6. Social: Human Rights:

- **HR3** Total number of incidents of discrimination and corrective actions taken.

#### 7. Supplement Sector: Construction and Real Estate:

- **CRE1** Building energy intensity
- **CRE2** Building water intensity
- **CRE3** Greenhouse gas emissions intensity from buildings

- **CRE4** Greenhouse gas emissions intensity from new construction and redevelopment activity
- **CRE6** Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system
- **CRE8** Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment

**\*The above subject matter only covers CDL's Singapore operations. For the indicators covered in our scope of assurance, all quantitative assertions and certain qualitative assertions have been assured.**

#### 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,
  - 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

#### 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.

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 2015.

In conducting our assurance engagement we have met the independence requirements of the Institute of Singapore Chartered Accountants and Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities. 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.



**Ernst & Young LLP**  
Signed for Ernst & Young LLP by  
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Partner, Climate Change and Sustainability Services  
Singapore, 4 May 2015