

## **City Developments Limited**

### **Sustainable Investment Principles**

(Established in January 2022)

As a responsible developer with long-standing Environmental, Social and Governance (ESG) commitments, City Developments Limited (CDL) is focused on taking proactive action in assessing potential portfolio risks and opportunities for sustainable investment decisions via its Sustainable Investment Principles (SIP).

Sustainable developments and green buildings are a global priority today. Investors, banks, insurers, and reinsurers are increasingly committing to ESG integration in their investment and portfolio assessments.

The global momentum to significantly reduce CO<sub>2</sub> emissions to meet the 1.5 degrees Celsius temperature rise cap by 2030 and achieve net zero emissions by 2050 is growing. Stakeholders like financiers will gradually show an increasing preference for low or zero emission-producing real estate assets, or assets with a credible transition path. This has increased focus on decarbonising the built environment and ensuring real estate assets address and mitigate related social and governance risks.

The SIP is formulated in line with the Glasgow Climate Pact and aligned with global best practices laid out in the United Nations Sustainable Development Goals, United Nations Principles for Responsible Investment, Task Force on Climate-Related Financial Disclosures (TCFD), United Nations Environment Programme Finance Initiative (UNEP FI) and other relevant frameworks. It complements CDL's existing ESG policies and guidelines, including its Climate Change Policy, Environmental, Health and Safety (EHS) Policy, Green Building Policy, Biodiversity Policy and Human Rights Policy.

#### **Scope**

As a framework for assessing ESG issues, CDL incorporates the SIP as part of its due diligence to make informed decisions on its investments.

#### **Environment**

- Environmental and climate impacts
- Climate change risks
- Land contamination and pollution
- Biodiversity and ecosystem impact
- Environmental-related legislation
- Technological advancement and adoption
- Material
- Recycling and waste disposal
- Energy usage including renewable energy
- Water usage
- Indoor environmental quality

#### **Social**

- Human rights
- Labour standards
- Community impact
- Tenant/Occupant activities
- Workplace safety and health (WSH)
- Hygiene and sanitation
- Occupier amenities

#### **Governance**

- Existing governance structure
- Oversight of ESG issues and ESG disclosures
- Data protection and privacy
- Existing Green and other certifications
- Known reports/complaints/regulatory fines on ESG issues

The SIP will be applied to acquisitions that CDL makes in existing and new markets, including Singapore, China, the UK, Australia, Japan and Vietnam. Given that local regulations, policies and investment metrics need to be considered, decision making may vary across jurisdictions.