









RISKS AND OPPORTUNITIES OF KEY MATERIAL ESG ISSUES

Surrounding these material issues, we have mapped the risks and opportunities to 13 relevant SDGs and the four pillars under the TCFD framework (Governance, Strategy, Risk Management, Metrics & Targets). These ESG risks and opportunities also complement the company's Enterprise Risk Management (ERM) framework. More information can be found in the Risk Management Report in [CDL's Annual Report 2018](#).

CDL'S MATERIAL ESG ISSUES	RISKS	OPPORTUNITIES	SUSTAINABLE DEVELOPMENT GOALS	TCFD PILLARS
Innovation	Services and products of conventional business models can be displaced by the advent of disruptive technology and by market innovators.	<p>Identified as the top material issue since 2017, innovation is deemed key to driving CDL's business to the next level and enables us to raise the level of sustainable practices and ESG performance.</p> <p>Through an Enterprise Innovation Committee formed in early 2018, company-wide initiatives are carried out at CDL to spur creative thinking and promote a culture of innovation among employees.</p> <p>Solutions from sustainability-linked startups or vendors, where feasible, are piloted in CDL's building projects or operations to test the viability of emerging technologies and innovative solutions.</p> <p>In partnership with NUS, the Tropical Technologies Lab (T² Lab) was opened in early 2018 to develop innovative, green building technologies.</p>	   	<p>Strategy</p> <p>Risk Management</p>
Energy Efficiency and Renewable Energy	<p>Carbon tax and subsequent hikes will impact the cost of electricity and business operational costs.</p> <p>Globally, more countries are also expected to capture the external costs of carbon emissions. In CDL's key overseas markets – China, UK / Europe, Japan and Australia, carbon pricing is currently set at the range from US\$1 to US\$46 per tonne of carbon emissions, subject to changes in global pricing.</p>	<p>CDL has a strong track record as well as expertise in green buildings and solar energy to raise energy efficiency through a building's life-cycle. It can maximise in-built and natural efficiencies, minimise embodied carbon, and increase renewable energy consumption in both new developments and asset enhancement.</p> <p>Beyond brick and mortar, CDL can influence our supply chain and building users to adopt sustainable practices, solutions and lifestyles. 100% of CDL's commercial tenants have subscribed to our green lease and more EV charging stations are being installed at our buildings.</p> <p>Price of renewable energy has been falling in tandem with technological advancements and increased market access to renewable energy. When Singapore's blockchain-enabled marketplace for renewable energy certificates (REC) was launched in end 2018, CDL was one of the first two corporate purchasers in Singapore to adopt this digital platform.</p>	   	<p>Governance</p> <p>Strategy</p> <p>Risk Management</p> <p>Metrics & Targets</p>