

HO BEE LAND

HEADING BEYOND

SUSTAINABILITY REPORT 2017

(This Sustainability Report has been extracted from the Annual Report 2017)

RENEWING LIVES



Giving back to the community is always at the top of our minds. We support a wide range of charitable causes, from education and medical institutions to social welfare. As we walk our talk, we aspire to inject life and hope while providing aid to the ones who need it most.



SUSTAINABILITY REPORT

SUSTAINABILITY REPORTING

Ho Bee Land Limited's inaugural sustainability report has been prepared in compliance with the requirements of SGX-ST Listing Rules 711A and 711B. The report is with reference to the Global Reporting Initiative (GRI) Standards (2016).

This inaugural report focuses on the sustainability performance of our flagship development - The Metropolis, for the period from 1 January to 31 December 2017. In defining the report scope, we have considered the level of our operational control and the significance of any resulting economic, environmental and social impacts relating to The Metropolis relative to the rest of our portfolio.

All data is reported in good faith and to the best of our knowledge.

BOARD'S STATEMENT

It is with great pleasure that we present our inaugural sustainability report. This report encapsulates our commitment to grow sustainably as a forward-looking corporate entity.

At Ho Bee Land, we recognise that the business landscape is changing tremendously. Our stakeholders, including our shareholders and tenants, are now paying more attention to environmental, social and governance (ESG) issues in their decisions.

The Singapore Sustainable Blueprint, Singapore's ratification of the Paris Agreement, the Singapore Budget 2018 and the 3rd Green Building Masterplan call for more environmentally responsible behaviour by corporates, especially those in the real estate sector.

These developments have reinforced the growing importance of sustainable business practices alongside greater stakeholder interest. The Board recognises how sustainability developments may have implications to our existing business model and is committed to responding to stakeholder needs through delivering our services to the highest standards in responsible and sustainable ways.

Supported by the Sustainability Steering Committee, the Board oversees the sustainability direction, management of sustainability related performance and the development of the sustainability report.

Our Sustainability Report is aligned to the SGX-ST Listing Rules 711A and 711B and makes reference to the internationally recognised GRI Standards (2016).

We believe that it is important for us to focus on the areas that support our business strategy, whilst considering areas of critical risks and untapped opportunities. The Board oversaw a materiality assessment that was conducted to identify the areas with high sustainability impact and in line with our business strategy. In addition, we have set out how we manage our impact in these areas as well as our performance and targets for the upcoming year.

Ultimately, we believe that the measurement of our success lies beyond our financial performance. While we aim to maintain profitability and maximise shareholder return, we also seek to create value for our other stakeholders.

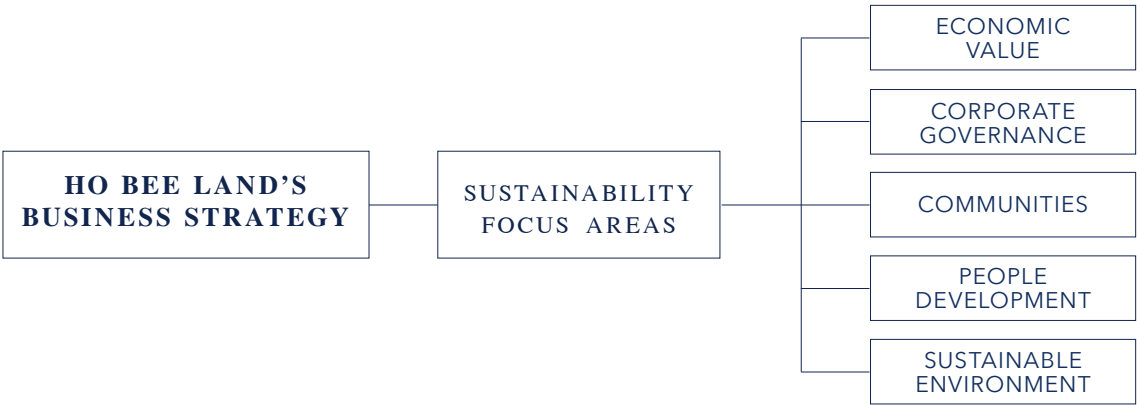
STAKEHOLDER ENGAGEMENT

Our business operations affect, and is affected by, a diverse group of stakeholders – both internal and external. At Ho Bee Land, we recognise that effective collaboration with our key stakeholders is critical in aligning our business decisions with their

needs and concerns. We thus proactively engage stakeholders through various channels to identify and understand issues pertinent to them. We also strive to maintain regular two-way communication to foster accountability and transparency. Ho Bee Land’s approach towards stakeholder engagement is summarised below:

Key Stakeholders	Engagement Methods	Frequency	Key Topics of Interest
Investors	Timely updates of financial results and announcements, business developments, press releases, and other relevant disclosures via SGXNet and website	Throughout the year	• Sustain profitability and enhance shareholder return • Transparent reporting • Sound corporate governance practices • Active portfolio management
	Annual General Meeting	Annually	
Tenants – existing and potential	Regular formal or informal tenant meetings and feedback sessions to exchange ideas and updates on important initiatives and matters	Throughout the year	• Safe and secure office premises • Responsiveness to requests and feedback of tenants
	Established channels of communication for tenant and property-related issues	Throughout the year	
Employees	Induction programme for new employees	Throughout the year	• Equitable remuneration • Fair and competitive employment practices and policies • Safe and healthy work environment • Focus on employee development and well-being
	Training and development programmes	Throughout the year	
	Career development performance appraisals	Annually	
	Recreational and wellness activities	Throughout the year	
	Regular e-mailers, meetings, and town-hall sessions	Throughout the year	
Communities	Corporate giving and philanthropy activities through Ho Bee Foundation	Throughout the year	• Contributions to communities • Responsible and ethical business practices
	Corporate volunteering	Throughout the year	
Government and Regulators	Meetings and dialogue sessions	Throughout the year	• Compliance with, and keep abreast to, ever-changing laws and regulations
	Membership in industry associations such as Real Estate Developers’ Association of Singapore (REDAS), Singapore Chinese Chamber of Commerce and Industry (SCCCI), Singapore Business Federation (SBF)	Throughout the year	
Business Partners (such as Third-Party Service Providers)	Regular dialogue sessions with service providers and property managers	Throughout the year	• Equitable treatment of business partners • Regular and punctual payments upon enlistment of service
	Established channels of communication	Throughout the year	

SUSTAINABILITY REPORT



INTEGRATING SUSTAINABILITY

At Ho Bee Land, we recognise that long-term value creation for our business and stakeholders is contingent on our ability to adapt to evolving stakeholder interests as well as global trends and developments. In order for Ho Bee Land to holistically harness opportunities, and mitigate risks, we have aligned our sustainability focus areas to our business strategy. It allows us to continually generate business value – be it financial, reputational or other forms, for Ho Bee Land and our stakeholders.

MATERIALITY ASSESSMENT

During the year, Ho Bee Land initiated a materiality assessment exercise, which took reference from the GRI Standards (2016) Materiality Principle. The objective of the exercise was to identify, prioritise and validate ESG factors that are significant to business operations and of interest to key

stakeholders. Facilitated by an independent consultant, participants responded to an online questionnaire and participated in a workshop that required them to consider the following:

- global and local emerging sustainability trends;
- main topics and future challenges for the real estate sector, as identified by peers;
- sustainability reporting frameworks and relevant sector-specific guidance;
- insights gained from regular day-to-day interactions with external stakeholders; and
- key organisational strategies and risks identified in our existing Enterprise Risk Management framework.

5 key areas of focus were identified to be material to Ho Bee Land. These were validated by the Board and will be the focus of this inaugural sustainability report.

Sustainability Focus Areas	Material Factors	Read more in our
 Enhancing Economic Value Enhanced profitability, value creation, distribution and retention for shareholders.	Economic performance	• Financial Statements, page 66
 Contributing to a Sustainable Environment Mitigating our environmental footprint.	Energy Water	• Sustainability Report page 34
 Developing our People Talent management strategy and practices.	Employment Training and Education	• Sustainability Report, page 36
 Enriching our Communities Giving back to society through our philanthropic efforts.	Local Communities	• Sustainability Report, page 38 • Corporate Website: Corporate Social Responsibility
 Strengthening Corporate Governance Compliance with applicable laws and regulations including ethics, integrity and anti-corruption.	Anti-corruption Socio-economic Compliance Environmental Compliance	• Sustainability Report, page 40 • Corporate Governance Report, page 41 • Corporate Website: Whistle-blowing Policy Statement

SUSTAINABILITY REPORT

CONTRIBUTING TO A SUSTAINABLE ENVIRONMENT

Climate change and global warming are high on the international and local agenda. In response, leading companies have taken an active interest in supporting efforts around managing the negative impacts on the environment, including the selection of environmentally responsible business partners.

At Ho Bee Land, we endeavour to do our part to proactively respond to the needs of our stakeholders, in particular our tenants, who may have strong preferences for environmentally sustainable properties. This approach enables us to manage our business obligations, maintaining strong economic performance and minimising our environmental footprint.

In FY2017, as part of responding to BCA's requirements, Ho Bee Land formalised an Environmental Policy to advocate sustainable environmental practices within the organisation. Besides guiding responsible environmental stewardship, the policy serves to promote the adoption of environmental best practices and safeguard compliance with all relevant environmental legislation.

Ho Bee Land endeavours to reduce our environmental footprint through a number of eco-efficiency initiatives and innovations in sustainable building design. During the year, we continued to adopt practicable energy and resource saving initiatives without compromising on the standard of maintenance. Our recycling programme was rolled-out for collection of paper, glass, plastics, metals and lamps. We believe these initiatives promote environmental responsibility and conserve our depleting natural resources.

Monitoring environmental impact is integral to our business operations, as efficient use of environmental resources such as energy and water contributes to our operational efficiency and long-term sustainability. At Ho Bee Land, we continue to monitor our energy and water consumption patterns to ensure responsible stewardship. We also track the amount of waste being collected and recycled by our tenants.

By implementing the initiatives, the average monthly consumption of electricity in FY2017 was reduced by 1.7% from the previous year. Similarly, the usage of domestic water and NEWater was decreased by 7%.

In line with evolving business practices and stakeholder sentiments, the international real estate sector has seen a shift towards sustainable or green buildings in efforts to ensure environmental sustainability. Ho Bee Land is committed to this endeavour and targets to achieve the BCA Green Mark Certification for all new developments in Singapore.

GOING GREEN AT THE METROPOLIS

The Metropolis exemplifies Ho Bee Land’s commitment to building an environmentally sustainable business and delivering long-term value to its stakeholders. The property was designed to incorporate a range of innovative solutions that conserve energy and water, and reduce carbon dioxide emissions, thereby minimising the environmental impact of the building. This has earned The Metropolis the coveted Green Mark Platinum certification, which is the highest rating for energy efficient buildings, by the Building & Construction Authority (BCA) of Singapore.

THE METROPOLIS - ENERGY SAVING HIGHLIGHTS:

Energy Efficiency Index (EEI)	168.82 kwh/yr/m ²
Renewable energy generated by Solar Photovoltaic technology	56,467 kwh/yr
System efficiency of the energy efficient chiller plant	0.57 kW/RT

The implemented green features have been described in detail below and helped to reduce the overall energy consumptions:

INNOVATIVE BUILDING DESIGN

- Solar photovoltaic panel to harness the sunlight and generate clean, renewable energy
- Sun shading fins and double glazed low-e glass on windows
- Photocell sensors along the perimeter of the building to regulate lighting (photocell sensors will turn off lighting if there is sufficient daylighting at the perimeter)
- Naturally ventilated atrium, toilets and staircases
- Pre-fitted tanks installed to harvest rainwater which is used for the auto-irrigation system
- A paper recycling chute was installed

ENERGY EFFICIENCY FEATURES

- High efficiency plant system that achieves a 29% energy improvement over the national baseline standard
- Energy efficient lighting system such as the T5 fluorescent lighting with high frequency electronic ballast in all office and retail spaces
- Motion sensors in lavatories and stairwells
- Variable voltage variable frequency lifts and escalators which are also equipped with sleep mode feature
- Energy-efficient chiller plant with a system efficiency of 0.57 kW/RT and auto tube cleaning system

WATER EFFICIENCY FEATURES

- Water fittings are certified under the Public Utilities Board’s “Excellent” and “Very Good” Water Efficiency Labelling Scheme (WELS) rating
- Private water meters have been installed to monitor rainwater harvested, water consumption and to detect water leakages
- Automatic water efficient drip irrigation system
- NEWater used as makeup water for the cooling tower
- Collection of water from condensation of air-conditioners
- Sensors have been installed to stop the irrigation system during periods of rainfall

OTHER SUSTAINABLE OPERATIONS AND MANAGEMENT FEATURES

- Recycling bins are located at L1 and B1 for the collection of recyclables such as plastics, cans and paper
- Provision of carpark guidance system
- Carbon monoxide sensors for basement carpark ventilation

In the forthcoming year, Ho Bee Land targets to maintain Green Mark Platinum Certification for The Metropolis.

SUSTAINABILITY REPORT

DEVELOPING OUR PEOPLE

At Ho Bee Land, we believe that our organisation is only as successful as our people. The quality of our employees and their commitment to Ho Bee Land is thus critical in ensuring our sustained long-term growth.

We recognise the importance of nurturing an engaging and fulfilling career for our employees. Our human resource policies are therefore geared towards creating a transparent, fair and inclusive working environment that drives employee well-being, satisfaction and productivity. It is with this philosophy in mind that Ho Bee Land has developed our human resource policies, procedures and practices, terms and conditions, as well as the competitive compensation and benefits package available to them.

TRAINING & EDUCATION

In order for Ho Bee Land to evolve with the rapidly changing business landscape and stakeholder expectations, we acknowledge that this requires concerted efforts and talents of a skilled and adaptable workforce. As we navigate through an increasingly challenging environment, employee training and development remain key priorities. Employees are encouraged to upgrade their knowledge and skillset by attending relevant workshops, seminars and courses to enhance areas that are both beneficial for their personal development and work performance. Ho Bee Land also provides sponsorships to employees for their enrichment endeavours. Each year, all our employees also undergo a performance review session with their immediate superiors to monitor their progress and reward their achievements.

EMPLOYEE WELL-BEING

Ho Bee Land believes that an engaged, healthy and happy employee contributes to a progressive and productive work force. Our employees therefore benefit from a competitive and comprehensive flexible-benefits package (including health screenings, dental benefits, and medical coverage, among others).

At Ho Bee Land, we also organise and participate a range of activities and events for our employees to foster a collaborative and cohesive team. During the year, we organised staff and family outing trips, and staff team bonding activities. To nurture an engaged workforce, we actively engage our employees directly. We have open channels of communication across the various ranks and encourage feedback to improve our policies and practices.

In FY2017, the employee turnover rate at Ho Bee Land was 15%. During the year, approximately 60% workforce attended training courses with average training hours per employee per year at 12 hours.

In the forthcoming year, Ho Bee Land targets to:

- Reduce employee turnover rate to 10%;
- Increase percentage of workforce attending training to 80%; and
- Increase average training hours per employee per year to 16 hours.



Spartan Race

Team building activities allow employees to get to know one another better in a more relaxed environment while having fun. Such activities also promote cooperation in an external setting, building connections between employees. At Ho Bee Land, our employees took part in a Spartan Race in May 2017 and were very enthusiastic during the race.

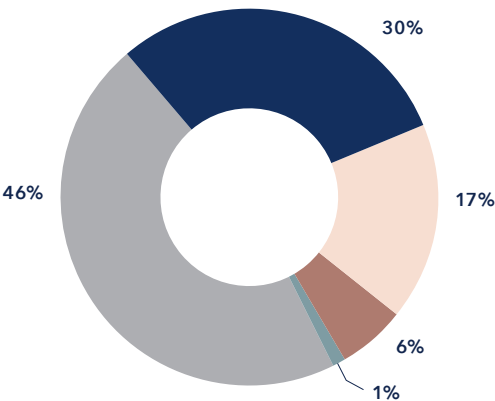
Learning Journey @ Southern Ridges

In August 2017, team members across departments participated in this remarkable nature walk with experiential moments designed to facilitate team conversations and strengthen healthy relationships. Along the Marang and Mount Faber trail, the team engaged with each other to share their thoughts on life values, people and moments that they were grateful for.

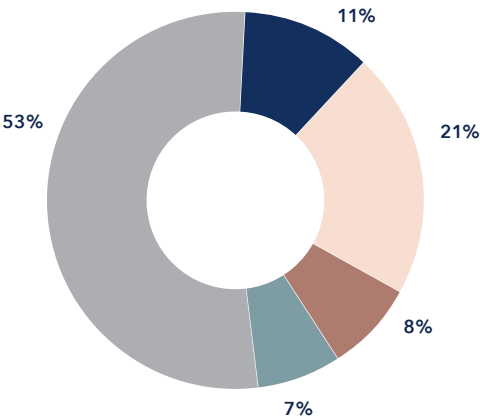
SUSTAINABILITY REPORT

- Social Welfare
- Healthcare
- Community
- Education
- Sports
- Cultural

CONTRIBUTIONS BY SECTOR
IN FY2016



CONTRIBUTIONS BY SECTOR
IN FY2017

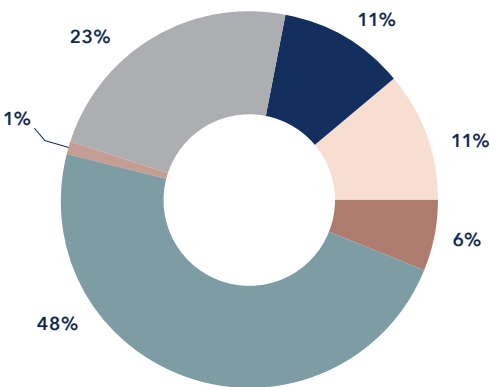


ENRICHING OUR COMMUNITIES

Corporate social responsibility is integral to Ho Bee Land’s value proposition. We continue to invest in our communities through Ho Bee Foundation (**the Foundation**), which was set up to serve as our philanthropic arm. The Foundation, established in October 2010, has been and will continue to effectively and efficiently channel Ho Bee Land’s donations towards a host of worthy charitable causes that includes educational institutions, hospitals and social welfare.

In FY2017, the Foundation contributed to charitable causes comprising social welfare, healthcare, community, education and cultural programmes with a total donation of S\$1.5 million (FY2016: S\$1.7 million). As of 31 December 2017, the total charitable donations from the Foundation since its inception totalled S\$15.2 million. The following pie charts depict the percentage of contributions to the various sectors for (i) FY2016, (ii) FY2017 and (iii) total contributions from FY2011 to FY2017.

TOTAL CONTRIBUTIONS BY SECTOR
FROM FY2011 TO FY2017



PATRON OF THE ARTS AWARD

Ho Bee Land received a Patron of the Arts Award by the National Arts Council in FY2017 for our contribution to the National Arts Council.

SMU HO BEE PROFESSORSHIP

The Ho Bee Professorship was established in 2007 with the Singapore Management University (SMU). The programme aims to advance the study of the Chinese economy and to promote educational, economic, cultural and community development in Singapore with China for the benefit of the business community.

The recipients of the Professorship are professors of prestigious institutions, such as Harvard University and Stanford University, amongst others. The latest recipient of the Ho Bee Professorship is Dr. Keyu Jin, a tenured professor of economics at the London School of Economics. She presented a public lecture on “China’s Paradox and its Role in the World Economy”. This is a part of the educational development in line with the purpose of the Professorship.

Besides charitable donations and the Ho Bee Professorship, we also advocate other community investments to strengthen Ho Bee Land’s social licence to operate and ability to deliver sustainable value.

In the forthcoming year, Ho Bee Land targets to maintain the donation amount towards charitable contributions.



From top to bottom:

Blood Donation Drive

Ho Bee Land was involved in a blood donation drive in September 2017. This is to support the National Blood Programme which was organised by Shell iVolunteers together with Singapore Red Cross Society and Ho Bee Land. 95 units of blood were collected, a large increase of almost 40% from the previous year. The blood donation drive was held at The Metropolis.

Ren Ci Food Fiesta

In September 2017, Ho Bee Land took part in the annual Ren Ci Vegetarian Food Fiesta with an aim of raising funds for patient care across Ren Ci Hospital’s facilities.

SUSTAINABILITY REPORT

STRENGTHENING CORPORATE GOVERNANCE

Ho Bee Land prides itself on its good corporate governance practices. We are committed to ensuring and maintaining a high standard of governance and business conduct to safeguard the interests of our stakeholders, thereby ensuring long-term value creation. Good corporate governance dictates that crisis management, anti-corruption, fraud prevention and compliance be placed high on a company's agenda.

Anti-corruption

Ho Bee Land has a zero-tolerance approach towards corruption and fraud. Encompassed within the Ho Bee Land Staff Handbook is our Professional Conduct and Discipline guide. It sets out expectations of employees in relation to issues such as conduct, insubordination and policies with regards to attire and gifts, amongst others. Employees are also required to adhere to various corporate policies and standard operating procedures which provide guidance on the proper conduct of our employees.

In light of the heightened cybersecurity risk, Ho Bee Land takes a firm stance and has crafted policies and procedures to safeguard vital data and information of the Group. The whistleblowing policy provides a transparent channel for employees to report concerns about possible fraud, improprieties in financial reporting and other matters. All employees are also required to submit the undertaking to safeguard official information, declaration for software use policy, declaration for personal data protection notice, and a conflict of interest disclosure statement upon commencement of their employment with Ho Bee Land.

Compliance with Laws and Regulations

Ho Bee Land adheres to the highest standards of corporate governance practices as guided by the Code of Corporate Governance 2012. We also abide by all applicable laws and regulations including the listing rules and regulations set out by SGX, and the MAS Securities and Futures Act.

Our properties are subject to environmental laws and regulations, including the Building Control (Environmental Sustainability) Regulations administered by the Building and Construction Authority (BCA), as well as the Energy Conservation Act and Environment Protection and Management Act governed by the National Environment Agency (NEA). Property Managers conduct regular checks within the buildings and ensure compliance with reporting requirements pertaining to the submission of environmental data. Properties are also subject to periodic environmental audits by the local authorities.

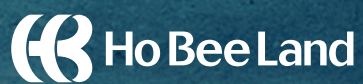
In FY2017, there were zero incidents of corruption and no significant instances of non-compliance with all applicable laws and regulations.

In the forthcoming year, Ho Bee Land targets to maintain zero incidents of corruption and no significant instances of non-compliance with all applicable laws and regulations.

MOVING FORWARD

The rapidly changing business landscape poses unprecedented challenges, but we believe that there are also many untapped opportunities. We remain committed to our sustainability agenda, and continue to seek innovative solutions which will add value to Ho Bee Land and our stakeholders through a sustainability lens.

In FY2018, we will continue to assess and update the relevance of our material ESG factors and sustainability initiatives in the context of global megatrends. We also strive to continually improve our sustainability reporting initiatives by enhancing our non-financial disclosures to provide our stakeholders with deeper insights into Ho Bee Land's sustainability practices.



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