ADVANCING
through experience & success

HO
BEE
LAND

SUSTAINABILITY
REPORT
2019

(This Sustainability Report has been extracted from the Annual Report 2019)

Sustainability Report

BOARD STATEMENT

In FY2017, we published our first Sustainability Report. This year, we continue to report our journey towards more responsible Environmental, Social and Governance ("**ESG**") practices with reference to the Global Reporting Initiative ("**GRI**") Standards 2016. This framework was selected as it is an internationally recognised reporting framework that covers a comprehensive range of sustainability disclosures and is relevant to Ho Bee Land's business.

The key ESG factors identified in the previous year have been reviewed taking into consideration the current and future business environment, our business strategy and the expectations of both our internal and external stakeholders. The Board has considered these issues as part of our strategic formulation and found the ESG factors continue to be relevant to Ho Bee Land ("**HBL**").

We recognise that climate change has had a significant impact on our planet and our communities. Consequential to climate change and urbanisation, our cities have become more vulnerable to natural disasters. Therefore, it is vital to ensure that our buildings and properties are sustainable and energy-efficient.

In Singapore, we continue to achieve reductions for both water and energy consumption at our properties. With FY2017 as the base year, consumption of water and energy for The Metropolis has been reduced from 109.8 thousand m^3 to 105.3 thousand m^3 and 168.82 kwh/year/m^2 to 166.42 kwh/year/m^2, respectively. To manage our consumption, we constantly explore systems with higher efficiency and green technologies in our buildings as part of our water and energy conservation efforts. The Metropolis is BCA Green Mark Platinum certified. We remain committed to minimising our properties' environmental impact through the responsible consumption of water and energy resources in our operations.

However, we could not have achieved all these without the strong support of our colleagues. The Group places immense value on human capital and will continue to focus on nurturing and supporting our employees. A suite of training programmes tailored to different levels are available to employees to enhance their skills and job knowledge and personal development. In FY2019, 100% of our staff attended at least 22 hours of training. Employees are also encouraged to participate in community activities, contributing to the society through various community involvement programmes. Our employees continue to be actively engaged through multiple touch-points. Details can be found on pages 36 to 41.

The Board will continue its practice of adopting a more resilient and sustainable business model.

We thank all our stakeholders for their support.

Board of Directors
Ho Bee Land Limited

We present this year's report in compliance with the requirements of SGX-ST Listing Rules 711A and 711B and with reference to GRI Standards (2016). We are also guided by Practice Note 7.6 of the Sustainability Reporting Guide issued by SGX-ST, in particular, paragraph 4 within.

All data in this report is presented in good faith and to the best of our knowledge.

We welcome your feedback on our sustainability report and performance as it enables continual improvement in the Group's sustainability efforts. Please share your views with us at enquiries@hobee.com.

REPORTING FRAMEWORK

HBL has selected the GRI Standards based on the recommendation of an independent consultant who assisted the Group in developing this framework. The standard was widely used by sustainability reporters globally and it offers sector specific guidance for the real estate sector. The GRI guidelines are also closely aligned with the SGX requirements. In particular, we have included in this report certain disclosures on our strategy, ethics and integrity, governance, stakeholder engagement, management approach, material topics, environmental compliance, employment, training and education and socioeconomic compliance.

HBL has not obtained any independent assurance of the information being reported for the financial year ended 31 December 2019, but may consider to do so in future. In line with the Group's sustainability efforts, this report is available for download from the corporate website as part of the Annual Report 2019 at www.hobee.com/investor-relations/annual-reports/.

STAKEHOLDER ENGAGEMENT

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

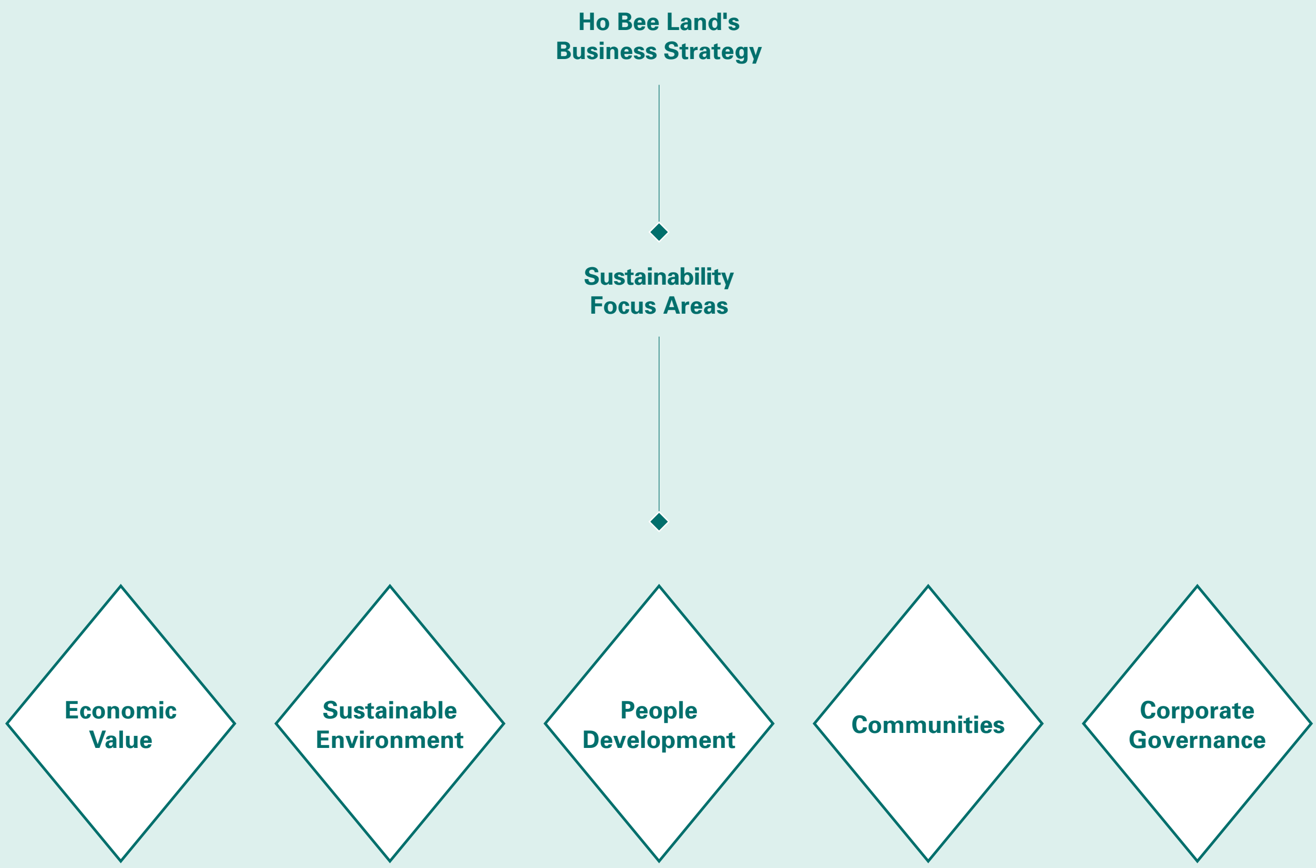
We thus proactively engage stakeholders through various channels to identify and understand issues pertinent to them. We also strive to maintain regular two-way communication to foster accountability and transparency. Our approach towards stakeholder engagement is summarised below:

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-halls sessions	Throughout the year	

Key Stakeholders	Engagement Methods	Frequency	Key Topics of Interest
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 HBL, 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 HBL 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 HBL and our stakeholders.

MATERIAL ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) FACTORS

A materiality assessment exercise which took reference from the GRI Standards Materiality Principle was conducted while preparing our inaugural sustainability report for FY2017. The objective of the exercise was to identify, prioritise and validate ESG factors that were of significance 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 followings:

- 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.

The five key areas of focus identified to be material to HBL are reviewed on an annual basis. For the financial year ended 31 December 2019, the Board is satisfied that there are no significant changes in key focus areas.

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 72
Contributing to a Sustainable Environment Mitigating our environmental footprint.	Energy Water	◆ Sustainability Report, page 33
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 43 ◆ Corporate Governance, page 45 ◆ Corporate Website: Whistle-blowing Policy Statement

CONTRIBUTING TO A SUSTAINABLE ENVIRONMENT

Singapore has committed to reduce emissions in accordance with the Paris Agreement, pledging a reduction in emission intensity of 36% by 2030 from 2005 levels. The Building and Construction Authority (BCA) of Singapore also aims to have 80% of buildings in Singapore achieve the BCA Green Mark standard by 2030 to improve the overall energy efficiency of the buildings. As a real estate developer, owner and manager, HBL is cognisant of the impact we create on the environment through our business and operational activities. We are strongly committed to do our part to proactively support environmentally friendly practices and respond to the needs of our stakeholders. We continue to seek to reduce our energy consumption and carbon emissions from electricity generation, as well as water consumption to play our part in fulfilling these targets. Development and management of energy and water efficient buildings reduces the Group's environmental footprint, and translate to cost savings for our customers and tenants.

HBL has adopted an Environmental Policy which advocates 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 legislations.

Ropemaker Place

In FY2018, HBL affirmed its position as a forward-looking company with Singapore's first green loan in funding the acquisition of Ropemaker Place, a 21-storey commercial development in London. The building has been LEED Platinum pre-certified and has a BREEM Excellent rating.

HBL's Green Loan was the first green loan in Singapore that aligns to the Green Loan Principles set jointly by the Loan Market Association and the Asia Pacific Loan Market Association. Today, our commitment towards building a sustainable model remains strong.

In this report, we focus on energy and water consumption impacts of The Metropolis in Singapore. Moving forward, we target to expand our reporting to cover other buildings in Singapore and the Ropemaker Place in London.

Sustainability Report

The Metropolis

Conservation of energy and water contributes to our operational efficiency and long-term sustainability. Hence, we monitor our energy and water consumption patterns closely to ensure responsible usage. During the year, we made adjustments to reduce electricity consumption at the basement carparks and improved our irrigation system to reduce water consumption. We continued to adopt practicable energy and resource saving initiatives without compromising on the standard of maintenance or in our delivery of good service. We are committed to optimising our water usage and enhancing our assets towards becoming water-resilient in the future.

As property owner and manager, we are conscious of the role we play in engaging with our stakeholders to reduce and manage waste efficiently. In Singapore, we support the government's vision of transitioning to a Zero Waste Nation by collaborating with partners to enhance our recycling programmes while encouraging our tenants' participation. As we track the amount of waste being collected and recycled by our tenants, we target to provide more information on them in our next sustainability report.

As a result of our sustainability efforts, there was a reduction of our annual energy consumption in The Metropolis by 1% from the previous year (FY2018: 3% reduction).

Our consumption of Domestic Water reduced by almost 8% (or about 5,535 cubic metres) (FY2018: 2% reduction).

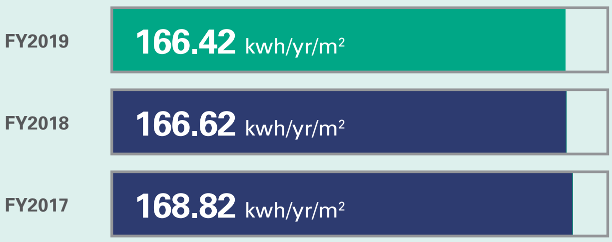
To demonstrate support for raising awareness for energy consumption and effects on the environment, The Metropolis continued its participation in Earth Hour on 30 March 2019 from 8:30pm to 9:30pm. We also encourage our tenants to participate in this campaign by turning off any non-essential lightings in the offices during Earth Hour.

Going Green At The Metropolis

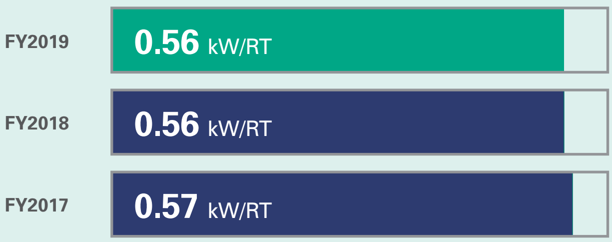
The Metropolis exemplifies HBL's commitment to building an environmentally sustainable business and delivering long-term value to its stakeholders. The property was designed to incorporate a range of innovative solutions that conserve energy and water, and reduce carbon dioxide emissions, thereby minimising 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:

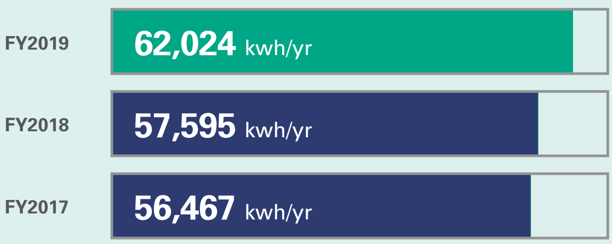
Energy Efficiency Index (EEI)



System efficiency of the energy efficient chiller plant



Renewable energy generated by Solar Photovoltaic technology



The implemented green features as described below have helped 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 0.56 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 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 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, paper, lamps or light tubes
- 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.

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. HBL is committed to this endeavour and targets to achieve the BCA Green Mark Certification for all new developments in Singapore and equivalent certification for the Group's new developments in Australia.

Sustainability Report

DEVELOPING OUR PEOPLE

Human Capital

HBL recognises that human capital, who are our employees, is an intangible asset to the Company.

Each employee plays a significant role in the overall business performance of the Company. Hence, we constantly improve the quality of this capital by investing in our employees, by improving staff welfare and sending staff for skills upgrading.

Diversity & Inclusivity in the Workplace

There is a myriad of benefits to building workforce diversity and inclusivity at every level of our Company. We recognise that people with different backgrounds bring with them different ideas and opinions, and we value that diversity. Open communication contributes to overcoming business challenges.

An inclusive workplace that understands the needs of our employees, making them feel valued and respected, has a significant and positive impact on our employee retention. Companies that value diversity and inclusivity tend to appeal to the public and other talents in the market.

Diversity and inclusivity will continue to be imperative for talent succession to ensure the continuity of business operations.

Training & Education

Training presents a prime opportunity to address gaps in our employees' job knowledge and skill sets, which is key to business growth.

In 2019, we hit our target of 90% participation rate for employees' training and development. In fact, 100% of our staff attended at least 22 hours of training. In 2020, we will continue to work towards 90% participation rate, with an average of 16 training hours for each employee.

There will be training for our employees on how to further reduce waste and drive an even more eco-friendly work environment.

Welfare & Wellness

HBL is a strong advocate that a happy, vested team of employees is of immense value to the Company. On top of providing a good and safe office environment, HBL offers competitive salaries and staff benefits to its employees. Staff retreats and outings for our employees and their families create many opportunities for social interaction and team-building outside the work environment.

The benefits of a happy and vested team of employees are immeasurable but tangible. Much can be said about the effects of a positive work environment and a high level of camaraderie on employee morale and performance. As such, HBL will continue to invest in the well-being of our employees.

6
April
2019

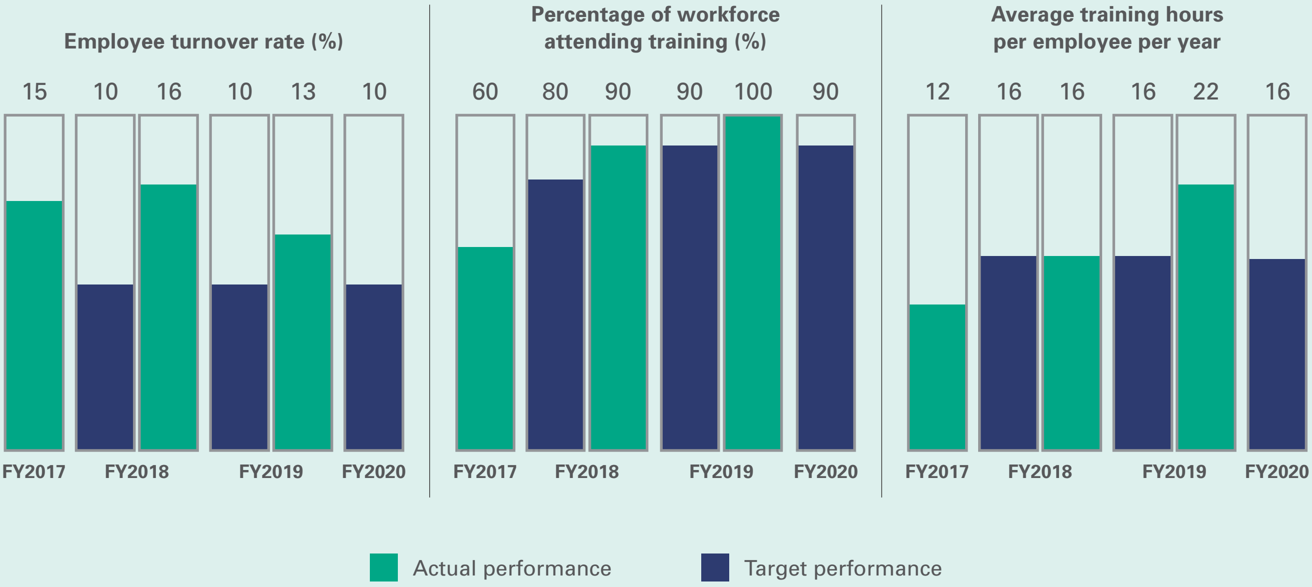
Ho Bee Land's Step Challenge
In conjunction with Health Promotion Board's Corporate Step Challenge 2019, the Ho Bee Land's Step Challenge was organised for our employees and their families. The event concluded with a sumptuous dinner at Satay by the Bay.

16 August 2019 & 23 August 2019

The Bicentennial Experience

Ho Bee Land's staff were treated to two sessions of The Bicentennial Experience with our Board of Directors, Chairman and senior management. The exclusive multimedia sensory tour brought us back in time to discover Singapore's evolution from 1299.

Materiality Performance Target



Sustainability Report

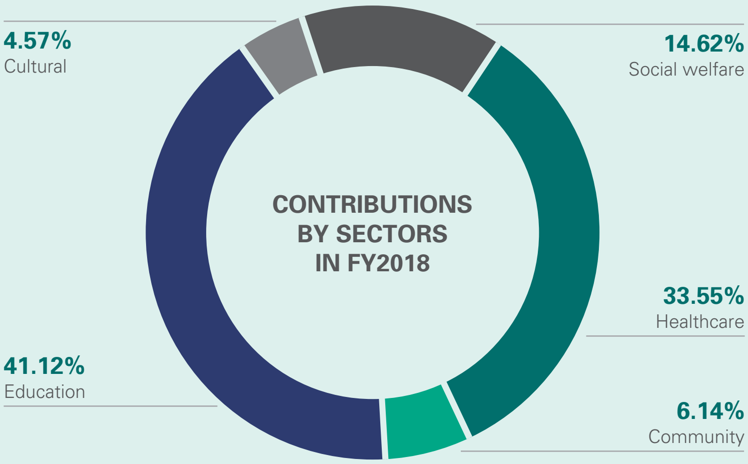
ENRICHING OUR COMMUNITIES

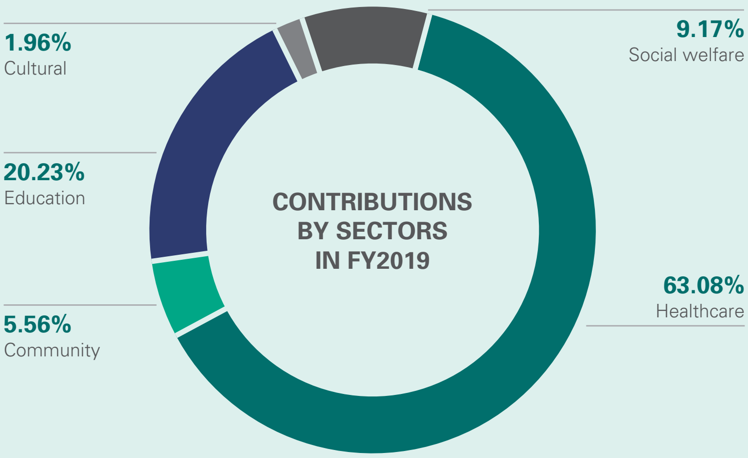
We believe that strong companies build strong communities, and vice versa. Ho Bee Land has a long history of community involvement that goes back to decades ago.

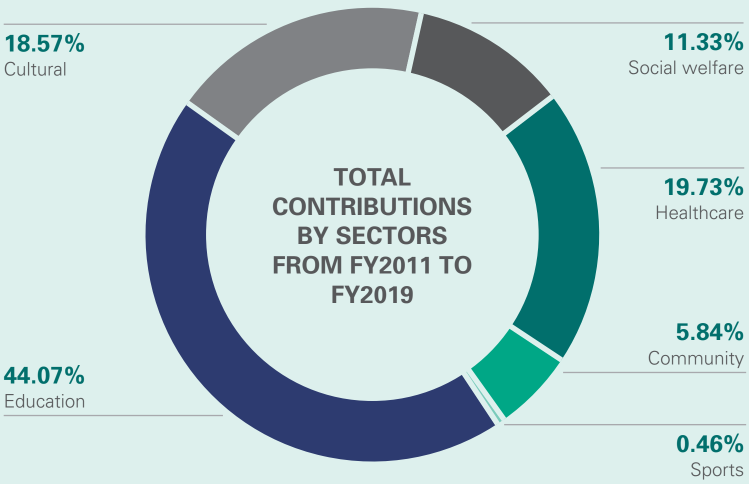
Our Corporate Social Responsibility commitment makes us a stronger company and strengthens the communities where our employees live and work. We inspire them to be active members of their communities, improving it through philanthropy, volunteerism, and leadership, and impacting the business through ethical, transparent interactions with our customers and stakeholders.

Since its establishment in October 2010, Ho Bee Foundation has supported a wide range of charitable causes in the areas of education and skills training, community and social welfare, as well as healthcare, arts and culture. In FY2019, the total amount of charitable donations disbursed by the Foundation was S$2.55 million (FY2018: S$1.27 million). To-date, the Foundation has donated S$19.03 million (FY2018: S$16.47 million since inception).

The following pie charts depict the percentage of contribution to the various sectors for (i) FY2018, (ii) FY2019 and (iii) total contributions from FY2011 to FY2019:







Community Building

We are dedicated to supporting and enhancing the development of a vibrant community. Through engagement and placemaking initatives, we aim to make positive impact towards community building.

9 September 2019 to 12 December 2019

Ho Bee Arts for Kids Programme

In FY2019, the Ho Bee Arts for Kids Programme was created for young children to get up close with specially curated art pieces at our office building, The Metropolis.

Around 1,000 primary school students from low-income families, as well as children of our tenants at The Metropolis, benefited from the Programme. During the half-day learning journey, the children were transported into an imagination land to discover world-renowned art. This Programme aims to open young minds to the vast possibilities of artistic creation – a passion and expertise of ours when we build and invest in the future.

Our Chairman & CEO, Dr Chua Thian Poh, with beneficiaries

Participants learning about world-renowned sculptures at The Metropolis

29 November 2019 to 1 December 2019

Creative Bazaar @ The Metropolis

Creative Bazaar @ The Metropolis ("呷欢喜文创市集" in Chinese) was a 3-day collective market that transforms the Chinese and Fujian culture into a lively and creative exchange. The Creative Bazaar brought together 50 original brands from Singapore, Malaysia and Taiwan to sell handmade accessories, ceramics, leather goods, unique craftworks, eco-friendly skincare products, and many more.

Creative Bazaar @ The Metropolis is part of our placemaking initiatives for the one-north community and members of the public

Live music performances were put up every hourly by 10 groups of indie artists from Singapore, Malaysia and Taiwan

Staff Volunteerism

HBL actively engages our employees through social activities and volunteering opportunities. We educate our employees on the Company's culture of giving back to society. Together, we develop a greater sense of corporate identity and pride.

15
October
2019

Blood Donation Drive

Co-organised with Red Cross Society, the blood donation drive was held at The Metropolis as part of the National Blood Programme.

4
October
2019

Snow City Children's Day Celebration

Children from Epworth Community Services were treated to a fun day out, in celebration of Children's Day. Under the accompaniment of our staff volunteers, the children enjoyed snow play, and attended an ice cream making workshop.

Other CSR activities included:

- **Toy donation drive for Food from the Heart,** 30 October - 1 November 2019
- **Ren Ci Vegetarian Food Fiesta,** 6 October 2019
- **Chinese New Year fortune bags packing for Community Chest,** 18 January 2019

Sustainability Report

SMU Ho Bee Professorship

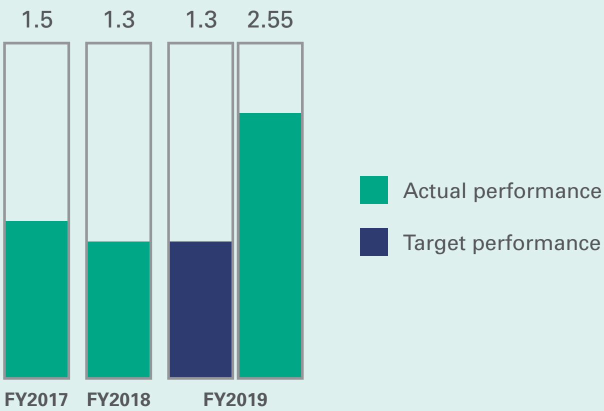
The Ho Bee Professorship was established with the Singapore Management University (SMU), to advance the study of the Chinese economy and to promote educational, economic, cultural and community development in Singapore with China for the benefit of the business community.

The Professorship is awarded to an eminent individual who is an acclaimed research scholar of high international standing, a thought leader with considerable expertise and contributions to the Chinese economy and business, as well as a passionate academic with a sterling track record in business education.

The visiting professor in 2019 was Dr Xiang Bing.

Materiality Performance Target

Donations towards charitable causes (S$ million)



In the forthcoming year, Ho Bee Land aims to maintain the target donation amount towards charitable causes.

STRENGTHENING CORPORATE GOVERNANCE

HBL 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 up on a company's agenda. We will constantly develop robust corporate policies and internal processes to address these areas.

Customer Data Privacy & Whistle-Blowing Policy

We collect personal data of customers across the property businesses and recognise the need to take utmost care in storing and handling this information. HBL continues to abide by strict guidelines under the Personal Data Protection Act (PDPA) and works closely with third-party real estate agents to ensure high standards of customer data privacy through all transactions.

In terms of anti-corruption measures, HBL has established prudent policies and measures to promote and uphold integrity throughout the organisation. We have a zero-tolerance approach towards corruption and fraud. Encompassed within the Ho Bee Land Staff Handbook is our Professional Conduct and Discipline guide.

All employees are required to adhere to our corporate policies and standard operating procedures, which sets out the Group's philosophy in running its business and acts as a benchmark of ethical behaviour for all staff to follow.

All employees are also required to submit the undertaking to safeguard official information, declaration for software use policy, declaration for the personal data protection notice, and a conflict of interest disclosure statement upon commencement of their employment with HBL.

In light of the heightened cybersecurity risk, HBL takes a firm stance and has crafted policies and procedures to safeguard vital company information. The whistleblowing policy provides a transparent channel for employees to report concerns about possible fraud, improprieties in financial reporting and other matters. We empower our employees and related third parties, such as contractors and tenants, to raise concerns about misconduct, fraudulent activities, or malpractices in any matter related to the Group.

To ensure fair investigations, all reports are directly addressed to the Chairman of the Audit & Risk Committee ("**ARC**") and/or Manager, Human Resource & Corporate Affairs and investigated by the Investigation Committee, which comprises the Chairman of the ARC and other persons appointed by the ARC.

For FY2019, there were no confirmed incidents of corruption and no employees were dismissed or disciplined for corruption. Further, there were no confirmed incidents where contracts with business partners were terminated or not renewed due to violations related to corruption. In this reporting year, no public legal cases regarding corruption were brought against HBL nor its employees.

Materiality Performance Target

Zero incident of corruption

FY2019	**Nil incident**
FY2018	**Nil incident**
FY2017	**Nil incident**

Compliance with Laws and Regulations

HBL adheres to the highest standards of corporate governance practices as guided by the Code of Corporate Governance 2018. 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 FY2019, there were no significant instances of non-compliance with all applicable laws and regulations.

Sustainability Report

Materiality Performance Target

No significant instances of non-compliance with all applicable laws and regulations

FY2019	Nil incident
FY2018	Nil incident
FY2017	Nil incident

In the forthcoming year, Ho Bee Land endeavour to maintain the performance achieved in the last three years, targeting zero occurrence of corruption incident and no significant instances of non-compliance with all applicable laws and regulations.

SIAS Investors' Choice Award & SGX Fast Track

In September 2019, HBL was awarded the Investors' Choice Award – MTCA under the Real Estate category (Runner-Up) for our performance in transparency practices.

Subsequently, HBL gained entry to the SGX Fast Track in November 2019 (until the next review cycle in 2021). The SGX Fast Track programme aims to affirm listed issuers that have been publicly recognised for high corporate governance standards and have maintained a good compliance track record. HBL will strive to maintain our entry on this list.

FY2020 and beyond

New technological advancements, growing trade tensions and climate change rapidly affects the business landscape and constantly bring new challenges.

We shall remain committed to our sustainability agenda and continue to seek innovative solutions or design new sustainability strategies which will add value to our organisation and our stakeholders through a sustainability lens.

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

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