



Sustainability

Report 2017

HIAP HOE LIMITED

Chairman & CEO Message

We are pleased to present the first Sustainability Report (the "Report") of Hiap Hoe Limited ("Hiap Hoe" or the "Group"). This Report aims to inform stakeholders of Hiap Hoe about our sustainability performance in a transparent and accountable manner for the period 1 January 2017 to 31 December 2017 ("FY2017"). The Report covers the Group's strategies, initiatives and performance in relation to economic, environmental, social and governance factors.

This report has been prepared in accordance with the Global Reporting Initiative ("GRI") Standards, the "Core" option.

At Hiap Hoe, we recognise that sustainability forms an integral part of our operations and strategies, and we strive to drive our operations in the direction in which we can contribute positively to all of our stakeholders. We have identified 14 indicators that matter most to our business, and to both internal and external stakeholders. These material issues are taken into account through our four sustainability strategies – Business Integrity, Environmental Sustainability, Human Capital and Health & Safety.

The economic, environment, social, and governance landscape is constantly evolving, and we recognise the need to adapt our operations to accommodate these changes.

Hiap Hoe will continue to consider sustainability issues as part of our strategic formulation and operations across the Group. We appreciate having all our stakeholders on this journey together with us, to build a more sustainable future. [102-14](#)

Ronald Lim Cheng Aun

Independent Non-Executive Chairman

Teo Ho Beng

Chief Executive Officer



Our Approach to Sustainability

GRI Guidelines

This report is prepared based on the GRI Sustainability Reporting Standards 2016, in accordance with the Core option. The GRI content index and relevant references are provided on pages 15 – 18. We have not sought external assurance for this reporting period.

[102-54](#) [102-56](#)

Reporting Period

Hiap Hoe's Sustainability Report is published on an annual basis. This is the first year Hiap Hoe is preparing the Sustainability Report and the report covers the Financial Year ("FY") 2017, for the period 1 January 2017 to 31 December 2017. [102-49](#) [102-50](#) [102-51](#) [102-52](#)

Reporting Scope

The data, statistics and improvement targets in the report focus on our Hospitality and Property Development operations in Singapore and Australia respectively. Hiap Hoe's hotel operations in Singapore include Ramada Singapore At Zhongshan Park and Days Hotel Singapore At Zhongshan Park ("Ramada and Days Hotel"). The property development refers to the residential waterfront development, Marina Tower, in Melbourne.

There are no restatements of information in this report. [102-48](#)

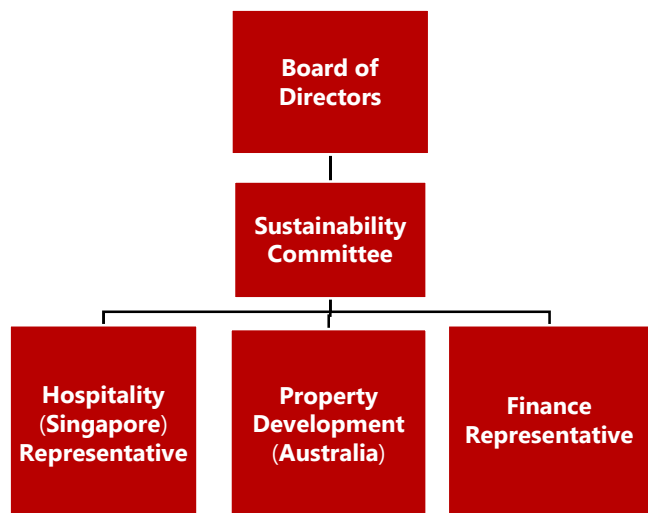
Feedback

Our stakeholders' views are important to us and we welcome feedback on this report and any aspect of our sustainability performance. You may provide feedback to the Executive Director, Marc Teo, at hiaphoe@hiaphoe.com.

[102-53](#)

Our Sustainability Structure

The Group's sustainability drive is spearheaded by the Sustainability Committee which oversees group-wide sustainability strategies and initiatives.



Our Approach to Sustainability





Our Sustainability Strategy

Hiap Hoe's sustainability strategy to develop and operate properties with sustainable business objectives that will benefit future generations, was formalised by the Sustainability Committee in 2017. Hiap Hoe places sustainability at the core of our strategy and operations to create sustainable value for all our stakeholders.

Stakeholder Engagement

Collaboration with our stakeholders supports us in addressing sustainability challenges and opportunities. We engage with our stakeholders regularly and incorporate relevant and appropriate feedback into our plans and actions. [102-40](#) [102-42](#) [102-43](#) [102-44](#)

Identification of the various stakeholders is based on our respective economic, social and environmental impacts in the context of our value chain.

Stakeholders	Stakeholders' Expectations/Concerns	Engagement Platform
 Employees	<ul style="list-style-type: none"> Occupational health and safety Fair labour practices and compensation Professional development 	<ul style="list-style-type: none"> Trainings Grievance/ feedback channels Regular reviews and appraisals Intranet platform for policies, news and benefits
 Customers	<ul style="list-style-type: none"> Service quality and excellence Timely follow-up on customer feedback Food safety Information and data security 	<ul style="list-style-type: none"> Feedback channels such as email and telephone communications Corporate website, email and newsletters
 Suppliers	<ul style="list-style-type: none"> Clear two-way communication channels Timely feedback regarding materials/ services provided 	<ul style="list-style-type: none"> Quotations and requests for proposal Supplier meetings to discuss sustainable sourcing opportunities
 Shareholders & Regulators	<ul style="list-style-type: none"> Business resilience and financial performance Business strategy and direction Corporate governance and compliance Transparent and timely communication of information 	<ul style="list-style-type: none"> Results announcements and news releases Corporate website and email.

Our Approach to Sustainability

Materiality Review Process

The materiality principle is applied to define the content of the Sustainability Report. As part of Hiap Hoe's process to determine materiality, internal strategic reviews and sustainability workshops, some of which were moderated by external consultants, were conducted during the year. During these sessions, the Group reviewed its vision, mission and core values, strategic direction, sustainability impacts and material topics.






We reflected on significant economic, environmental and social impacts to determine aspects that are material to the organisation. As a result, indicators of the GRI's Sustainability Reporting Standards 2016 were assessed and we identified the following 14 indicators that are relevant to the respective businesses of Hiap Hoe.

The materiality assessment was subsequently endorsed by Hiap Hoe's Sustainability Committee. [102-46](#) [102-47](#)

GRI Indicators			Hotel Operations	Property Development
Environment				
Energy	302-1	Energy Consumption within the Organisation	✓	*
	302-4	Reduction of Energy Consumption	✓	*
	302-5	Reductions in Energy Requirements of Products and Services	✓	✓
Water	303-1	Total Water Withdrawal by Source	✓	*
Compliance	307-1	Non-compliance with environmental laws and regulations	✓	✓
Economic				
Economic Performance	201-1	Direct Economic Value Generated and Distributed	✓	✓
Social				
Anti-Corruption	205-2	Communication and Training on Anti-Corruption policies and procedures	✓	*
	205-3	Confirmed Incidents of Corruption and Actions taken	✓	✓
Employment	401-1	New employee hires and employee turnover	✓	*
Occupational Health & Safety	403-2	Type of Injury and Rates of Injury, Occupational diseases, Lost days, and Absenteeism, and number of Work-Related Fatalities	✓	*
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	✓	*
Customer Health and Safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	✓	*
Customer Privacy	418-1	Total Number of Substantiated Complaints regarding breaches of Customer Privacy and losses of Customer data	✓	*
Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	✓	✓

* Not applicable as the development and project management activities of Marina Tower was fully outsourced to a third-party consultant. There is no headcount for the Property Development business.

Our Approach to Sustainability

Sustainability Strategies	GRI Indicators		
 Environmental Sustainability	Environment		
	Energy	302-1	Energy Consumption within the Organisation
		302-4	Reduction of Energy Consumption
		302-5	Reductions in Energy Requirements of Products and Services
	Water	303-1	Total Water Withdrawal by Source
	Compliance	307-1	Non-compliance with environmental laws and regulations
 Human Capital	Social		
	Employment	401-1	New employee hires and employee turnover
	Non-discrimination	406-1	Incidents of discrimination and corrective actions taken
	Compliance	419-1	Non-compliance with laws and regulations in the social and economic area
 Health & Safety	Social		
	Occupational Health & Safety	403-2	Type of Injury and Rates of Injury, Occupational diseases, Lost days, and Absenteeism, and number of Work-Related Fatalities
	Customer Health and Safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services
 Business Integrity	Social		
	Anti-Corruption	205-2	Communication and Training on Anti-Corruption policies and procedures
		205-3	Confirmed Incidents of Corruption and Actions taken
	Data Privacy	418-1	Total Number of Substantiated Complaints regarding breaches of Customer Privacy and losses of Customer data
 Financial Performance	Economic		
	Economic Performance	201-1	Direct Economic Value Generated and Distributed

Our Approach to Sustainability

Value Chain 102-9

As a premium real estate company operating internationally, Hiap Hoe has a substantial value chain involving a mix of different stakeholders (E.g. suppliers, customers, business partners). Hiap Hoe actively reaches out and communicates with all stakeholders to ensure that all of their needs and sustainability targets are met.

Value Chain			
Development	Investment	Hospitality	Sales & Transactions
Land Acquisition Design & Planning Project Management	Property acquisition Asset Management	Hotel Management Customer Service	Property Sales Capital Management

Communication with our stakeholders is continuous via different modes of engagement to ensure satisfaction and excellence.

Stakeholders	Modes of Engagement	Key Sustainability Topics
Contractors/ Consultants/ Suppliers	- Safety briefings and declarations	- Occupational health & safety - Supplier/Contractor Performance
Customers	- Surveys and feedback channels	- Customer satisfaction - Quality of services and facilities
Employees	- Team building - Training programmes	- Staff bonding - Career development
Shareholders	- Annual general meetings - Periodic reporting - Investor conferences - Annual reports	- Financial results - Business performance reports

Business Integrity

Communication on Integrity and Anti-Corruption 102-16

Corporate governance, transparency and business ethics are the core of Hiap Hoe.

The Group's zero tolerance position towards corruption and fraud is reflected in our Code of Conduct ("the Code"). The Code establishes processes and actions to be taken in the event of any reportable conduct and establishes the business conduct expected of all employees as well as the Group's stance to avoid conflicts of interests with stakeholders. 205-2

There were no confirmed incidents of corruption involving our employees or business partners in 2017. 205-3

FY2018 Target	Key Initiatives to be implemented
No confirmed incidents of bribery or corruption by employees	To continue or implement the following steps to promote greater awareness towards good corporate governance: <ul style="list-style-type: none">• Mandatory annual conflict of interest declarations; and• Continuous review and update process for the Code.

Data Privacy 418-1

Safeguarding of stakeholders' information and data is of the utmost importance to us at Hiap Hoe. We treat all personal data provided to us in strict confidence and will only use personal data in the manner set out in our Privacy Policy, which was drafted based on Singapore's Personal Data Protection Act ("PDPA").

Hiap Hoe also requires that our business partners and suppliers to comply with the PDPA or any equivalent data protection regulations in accordance with the respective jurisdictions in which they operate.

There were no instances of non-compliance or complaints regarding breaches of customer privacy in FY2017.

FY2018 Target	Key Initiatives to be implemented
Improve data privacy and management processes	<ul style="list-style-type: none">• To provide continuous training of employees in the best practices of data privacy; and• Clear and regular communication with stakeholders to reinforce the Group's stand towards data privacy.

Environmental Sustainability

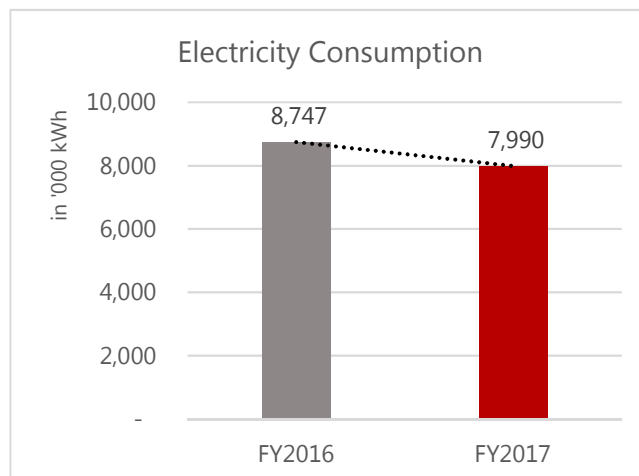
Energy and Water Consumption 302-1, 303-1

- Electricity

The tracking and monitoring of electricity consumption across the various business units are performed by trained employees based on our monthly electricity bills. Electricity consumption of the Group is in line with the business activity and occupancy rates.

In FY2017, Ramada and Days Hotel consumed 7,989,500 kWh of electricity as compared to 8,747,000 kWh in Financial Year 2016 ("FY2016").

We plan to further improve our electricity-saving efforts through continuous education of employees to increase awareness of the importance of environmental sustainability.

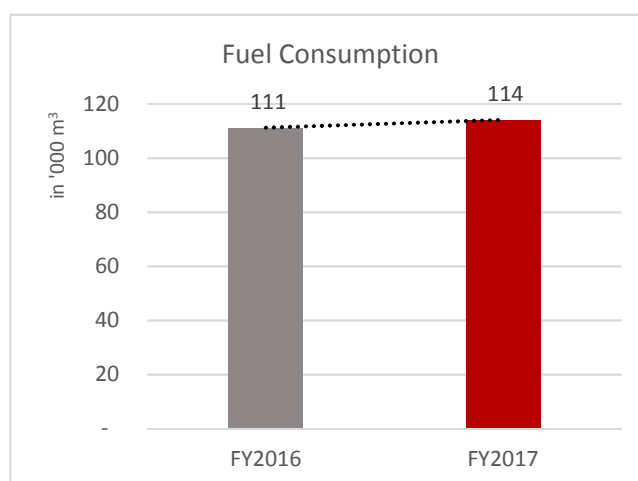


- Fuel Consumption

Fuel consumption in Ramada and Days Hotel was mainly in the form of Liquified Petroleum Gas consumed by kitchens in hotel restaurants for cooking.

Tracking and monitoring of fuel consumption are performed by trained personnel via daily meter readings.

In FY2017, total consumed 114,138 m³ of fuel as compared to 111,233 m³ in FY2016.

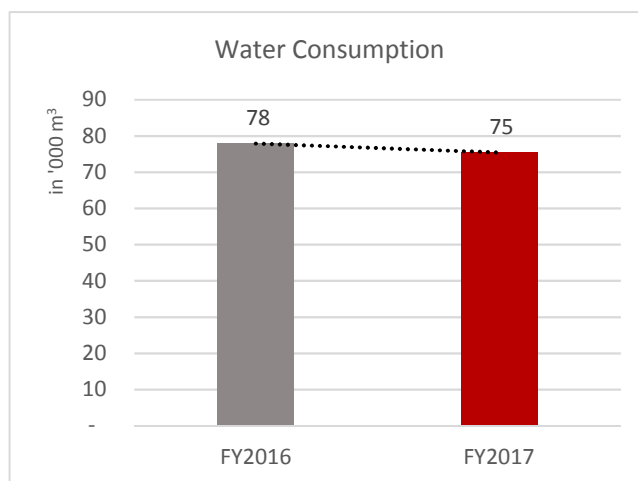


Environmental Sustainability

- Water Consumption

Tracking and monitoring of water consumption are performed through the monitoring of monthly water bills from the Public Utilities Board.

There was a decrease in water consumption in Ramada and Days Hotel in FY2017 (75,425 m³) as compared to FY2016 (77,903 m³).



Key Initiatives [302-4](#), [302-5](#)

Hiap Hoe's stance towards energy consumption is that of continuous improvement which involves looking for ways to minimise the consumption of the Earth's limited resources. As a step towards achieving the aforementioned goal, Hiap Hoe has taken on the following key initiatives:

- Continuous monitoring of the weather condition and adjusting the air-conditioning temperature accordingly;
- Ensuring the air-conditioning system is adequately maintained and serviced periodically to optimise efficiency and reduce energy consumption;
- On-going projects to replace existing florescent lights to LED lights to conserve energy;
- Ensure that air-conditioning in the corridors are turned down to "fan-mode" during low-occupancy periods to conserve electricity;
- Providing the option to hotel guests to do their part in saving the environment by opting to not have the Room Attendants wash their sheets daily; and
- Installation of one of the largest solar photovoltaic panels in the southern hemisphere (Marina Towers), in the form of a black architecturally-integrated monocrystalline array spanning across the tower's roof.

Environmental Sustainability

Reduction of Energy Requirements [102-12](#)

Hiap Hoe has had an exemplary track record with regards to environmentally friendly practices, which is evidenced by the following awards and achievements:

Award	Year(s)
Singapore Hotels Association ("SHA") & National Environment Agency ("NEA") "3R Award" (Merit) – Excellent waste management practices	2016, 2014
SHA Green Hotel Award – Recognition of good environmental practices relating to waste management, energy conservation and water efficiency	2016, 2015
Wyndham Green Award of Excellence	2014

FY2018 Target	Key Initiatives to be implemented
No significant fines were imposed on Hiap Hoe for non-compliance with environmental laws or regulations	<ul style="list-style-type: none"> Regular reviews of policies and internal checks to ensure that all regulations are adhered to; and Perform impact analysis for all new projects to and come up with appropriate risk mitigation measures.

Human Capital

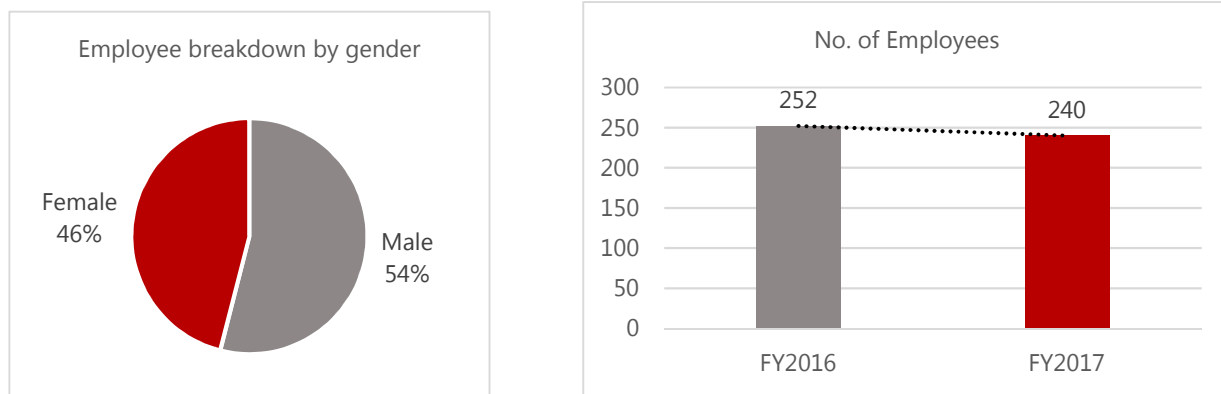
Human Capital is a core element in Hiap Hoe's business model and we stand by the belief that our employees are our most important resource. As such, we emphasise the career development, welfare, health and safety of every employee.

To attain our abovementioned goals, Hiap Hoe has established the following processes:

- Stringent recruitment processes to ensure that employees' values are commensurate with Hiap Hoe's mission and vision;
- To be fair and multi faceted;
- Continuous and robust training, performance appraisal processes to ensure that staff are adequately trained; and
- Robust health and safety guidelines provided to staff.

Workforce

Ramada and Days Hotel employed 240 staff as at 31 December 2017, with a male to female ratio of 54:46.



Our staff are continuously reminded to abide by Wyndham Worldwide's core values:

- Act with integrity;
- Respect everyone, everywhere;
- Provide individual opportunity and accountability;
- Improve our customers' lives; and
- Support our communities

Through the embodiment of the abovementioned core values, we can serve our customers to the best of our abilities. [102-8](#) [401-1](#)

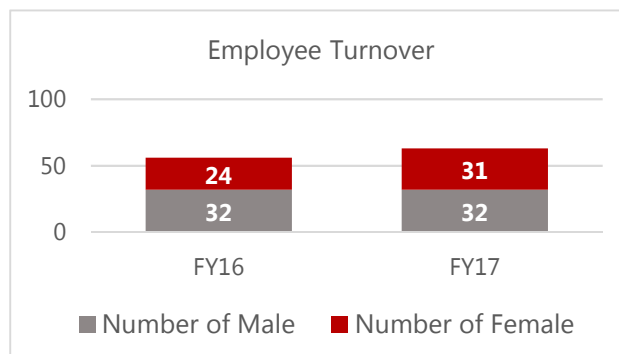
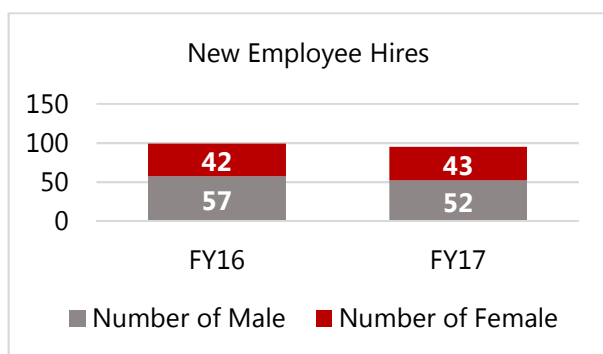
Human Capital

FY2018 Target	Key Initiatives to be implemented
Ensure that all full-time staff receives regular performance and career reviews	Cultivate and promote a culture of continuous performance appraisal at all job grades, encouraging constructive and open communication between managers and their staff.
Improve service quality	Increase service quality training hours for staff

New Employee Hires and Employee Turnover sorted by category (Ramada & Days Hotel)

401-1

- Gender



- Age

		New Hires		Employee Turnover	
		FY16	FY17	FY16	FY17
Age Range	<26	58	53	14	20
	26 - 35	22	30	23	24
	36 - 45	11	6	12	12
	46 - 55	5	5	4	4
	56 - 61	1	1	2	1
	>61	2	0	1	2
Total New Hires / Employee Turnover		99	95	56	63
Total No. of Employees		252	240	252	240

Health and Safety

Occupational Health & Safety

Hiap Hoe's fundamental focus is that of creating a safe environment for all employees by implementing best practices into our daily business activities that support our sustainable strategy.

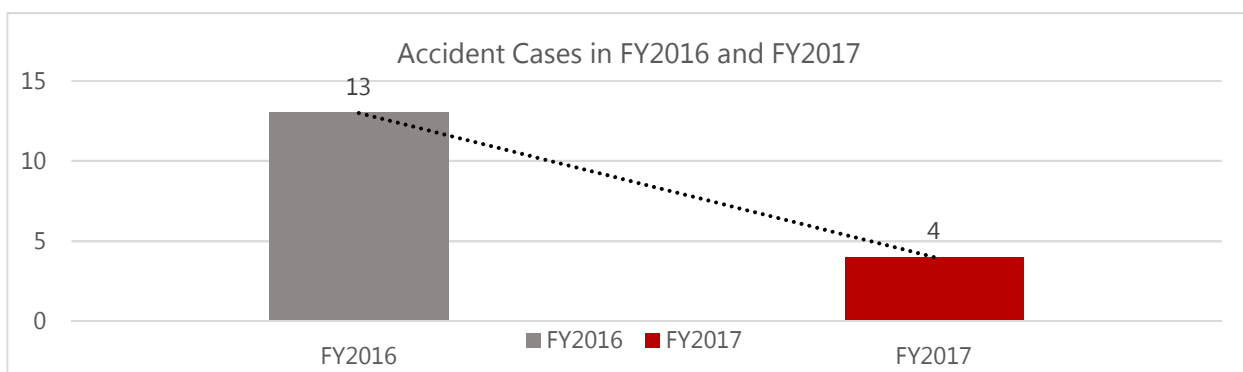
There is currently a process in place to report all health or safety incidents to the Fire Safety and Risk Management committee through monthly meetings which will cover the following key topics:

- Training on workplace safety;
- Routine checks on shoes for anti-slip soles;
- Regular checks on equipment to ensure that they are maintained and serviced adequately;
- Review of incident reports for the month and discussion of improvement points; and
- Risk assessment and reviews to mitigate and minimise incidents and risks.

All employees are required to adhere to all stipulated policies and procedures to prevent health and safety incidents from occurring. Additionally, managers from all business units are encouraged to assume the responsibility of supervising their staff to further enhance safety within the organisation.

Accident Frequency Rate & Accident Severity Rate [403-2](#)

We recorded zero fatalities in FY2017 and FY2016. In addition, there was a decrease in the number of accidents from 13 cases in FY2016 to 4 cases in FY2017. We acknowledge the importance of employee safety and will continuously improve workplace safety and strive to achieve a zero-accident occurrence rate.



Health and Safety

FY2018 Target	Key Initiatives to be implemented
Zero cases of fatalities	<ul style="list-style-type: none"> • Continue regular safety training and monthly HSE briefings; and • Increase frequency of reminders to employees to foster and cultivate a safe and healthy working environment.
Improvement to Accident Frequency and Severity	
Improve safety processes and refine Group level policies to promote a uniform safety culture across the different business units	<ul style="list-style-type: none"> • Increase frequency of safety training; and • Conduct periodic site visits to provide management additional perspectives and to identify any safety loopholes that may have went undetected.

GRI INDEX: CORE OPTION 102-55

GRI Indicator	Disclosure	Notes / Report Sections	Page Reference
GRI 102: GENERAL			
Organisational Profile			
GRI 102-1	Name of the organisation	"Corporate Profile" and "Chairman & CEO Message" in the 2017 Annual Report	1-3
GRI 102-2	Activities, brands, products, and services		
GRI 102-3	Location of headquarters		
GRI 102-4	Location of operations		
GRI 102-5	Ownership and legal form		
GRI 102-6	Markets served		
GRI 102-7	Scale of the organisation		
GRI 102-8	Information on employees and other workers	Human Capital	11 - 12
GRI 102-9	Supply chain	"Value Chain" under Our Approach to Sustainability	6
GRI 102-10	Significant changes to the organisation and its supply chain	No significant changes	N.A.
GRI 102-11	Precautionary Principle or approach	Hiap Hoe does not specifically utilise to the precautionary approach when managing risk; however, our management approach is risk-based, and supported by our internal audit framework.	N.A.
GRI 102-12	External initiatives	"Reduction of Energy Requirements" under Environmental Sustainability	10
GRI 102-13	Membership of associations	In FY2017, Hiap Hoe was an Ordinary member of the Real Estate Developers' Association of Singapore.	N.A.
Strategy			
GRI 102-14	Statement from senior decision-maker	Chairman & CEO Message	1
Ethics and integrity			
GRI 102-16	Values, principles, standards, and norms of behavior	"Communication on Integrity and Anti-Corruption" under Business Integrity	7

GRI INDEX: CORE OPTION 102-55

GRI Indicator	Disclosure	Notes / Report Sections	Page Reference
GRI 102-17	Mechanisms for advice and concerns about ethics	The Group strictly conducts its global business professionally and ethically. Our ethical standards are clearly stipulated in the Group’s Code of Conduct, of which all employees are expected to adhere to. Additionally, the Code clearly states that all colleagues are to be treated fairly and with the utmost respect. Management is duly expected to ensure awareness and compliance of all staff to the Code of Conduct.	N.A.
Governance			
GRI 102-18	Governance structure	2017 Annual Report, “Corporate Governance”	16 - 31
Stakeholder Engagement			
GRI 102-40	List of stakeholder groups	“Stakeholder Engagement” under Our Approach to Sustainability	3
GRI 102-41	Collective bargaining agreements	There are no collective bargaining agreements in place.	N.A.
GRI 102-42	Identifying and selecting stakeholders	“Stakeholder Engagement” under Our Approach to Sustainability	3
GRI 102-43	Approach to stakeholder engagement		
GRI 102-44	Key topics and concerns raised		
Reporting Practice			
GRI 102-45	Entities included in the consolidated financial Statements	2017 Annual Report under “Group Structure”	5
GRI 102-46	Defining report content and topic boundaries	Our Approach to Sustainability	2 - 6
GRI 102-47	List of material topics		
GRI 102-48	Restatements of information		
GRI 102-49	Changes in reporting		
GRI 102-50	Reporting period		
GRI 102-51	Date of most recent report		
GRI 102-52	Reporting cycle		
GRI 102-53	Contact point for questions regarding the report		
GRI 102-54	Claims of reporting in accordance with the GRI Standards		

GRI INDEX: CORE OPTION 102-55

GRI Indicator	Disclosure	Notes / Report Sections	Page Reference
GRI 102-55	GRI content index	GRI Index	15 – 18
GRI 102-56	External assurance	No external assurance will be sought for the FY2017 Sustainability Report	2

GRI 103: MANAGEMENT APPROACH			
GRI 103-1	Explanation of the material topic and its Boundary	Please refer to the respective GRI indicators (Specific Standard Disclosures) in the GRI Content Index for more information.	15 - 18
GRI 103-2	The management approach and its components		
GRI 103-3	Evaluation of the management approach		
SPECIFIC STANDARD DISCLOSURES			
Economic			
GRI 201-1	Direct Economic Value Generated and Distributed	2017 Annual Report, “Financial Statements”	42 - 45
Environment			
GRI 302-1	Energy Consumption within the Organisation	Environmental Sustainability	8 - 10
GRI 302-4	Reduction of Energy Consumption		
GRI 302-5	Reductions in Energy Requirements of Products and Services		
GRI 303-1	Total Water Withdrawal by Source		
GRI 307-1	Non-compliance with environmental laws and regulations	There were no instances of non-compliance with environmental laws and regulations during FY2017	N.A.
Social			
GRI 205-2	Communication and Training on Anti-Corruption policies and procedures	“Communication on Integrity and Anti-Corruption” under Business Integrity	7
GRI 205-3	Confirmed Incidents of Corruption and Actions taken		
GRI 401-1	New employee hires and employee turnover	Human Capital	11 – 12

GRI INDEX: CORE OPTION 102-55

GRI Indicator	Disclosure	Notes / Report Sections	Page Reference
GRI 403-2	Type of Injury and Rates of Injury, Occupational diseases, Lost days, and Absenteeism, and number of Work-Related Fatalities	Health & Safety	13 - 14
GRI 406-1	Incidents of discrimination and corrective actions taken	There were no such incidents that occurred during FY2017.	N.A.
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	There were no such incidents that occurred during FY2017.	N.A.
GRI 418-1	Total Number of Substantiated Complaints regarding breaches of Customer Privacy and losses of Customer data	There were no such incidents that occurred during FY2017.	7
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	There were no such incidents that occurred during FY2017.	N.A.