



# LONGEVITY

## REPORT 2018

**Boustead Projects Limited**  
Inaugural Sustainability Report





## CORPORATE PROFILE

Established in 1996, Boustead Projects Limited (SGX:AVM) is the leading industrial real estate solutions provider in Singapore, with core engineering expertise in the design-and-build and development of advanced eco-sustainable industrial facilities for multinational corporations and local enterprises. To date, we have constructed and developed more than 3,000,000 square metres of industrial real estate regionally in Singapore, China, Malaysia and Vietnam.

Our wholly-owned design-and-build subsidiary, Boustead Projects E&C Pte Ltd ("BP E&C") is approved by Singapore's Building & Construction Authority ("BCA") for Grade CW01-A1 and General Builder Class 1 License to execute building construction contracts of unlimited value.

Our in-depth experience in designing and constructing custom-built facilities covers the aerospace, business park and commercial, food, healthcare and pharmaceutical, high-tech manufacturing, info-communications, lifestyle, logistics, oil & gas, precision engineering, research & development, technology and waste management industries. We are also the leader in pioneering advanced eco-sustainable facilities under the BCA's Green Mark Programme and the US Green

Building Council's Leadership in Energy & Environmental Design (LEED) Program. In Singapore, BP E&C is one of only nine bizSAFE Mentors and also a bizSAFE Star, the highest qualification that can be attained in recognition of a company's workplace safety and health ("WSH") management programmes. Our WSH efforts have been further recognised with five prestigious WSH Performance Silver Awards and 11 SHARP Awards to date.

On 30 April 2015, Boustead Projects listed on the SGX Mainboard. We were awarded the Singapore Corporate Governance Award in the Newly Listed Category at the Securities Investors Association (Singapore)'s 18th Investors' Choice Awards 2017. We are also listed on the MSCI World Micro Cap Index, FTSE Global Small Cap Index and FTSE ST Small Cap Index.

Boustead Projects is a 53%-owned subsidiary of Boustead Singapore Limited (SGX:F9D), a progressive global infrastructure-related engineering services, geo-spatial technology and healthcare group which is separately listed on the SGX Mainboard.

Visit us at [www.bousteadprojects.com](http://www.bousteadprojects.com).



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## DEFINING LONGEVITY

# LONGEVITY

1. Long life.
2. Long existence or service.

- *Oxford Living Dictionaries*<sup>1</sup>



Welcome to Boustead Projects Limited's inaugural **Longevity Report**. As the leading industrial real estate solutions provider in Singapore, we have demonstrated over two decades of pioneership in industrial real estate solutions including the design-and-build and development of advanced eco-sustainable facilities serving some of the world's best corporations. Coincidentally, this year, we also witness and have the honour to share in the deep heritage of the Boustead Group under Boustead Singapore Limited, which celebrates 190 years of progress, truly an unrivalled milestone in Singapore's corporate history

as the Boustead Group maintains the longstanding position as Singapore's oldest continuous business – a practical and symbolic reflection of longevity.

Even as sustainability reporting takes centre stage among the world's latest corporate reporting initiatives, we feel that being rooted in the deep heritage of the Boustead Group, the term 'longevity reporting' is more all encompassing and relevant than 'sustainability reporting'.

As you read this report, we hope that you gain an in-depth understanding of how we

ensure the longevity of our business and the wider ecosystem that we are interconnected with. We also share how we strive towards what the Boustead Group has achieved in longevity over 190 years, and how this translates to delivering sustainable value and progress to our key stakeholders, along with the communities that we reside in and our collective home – Planet Earth. Our performance, policies and practices on material economic, environmental, social and governance topics are explained. As a responsible corporate citizen, we are highly reflective about how our actions 'ripple upon the pond of life'.

1. "Definition of Longevity in English." *Oxford Living Dictionaries*, Oxford University Press, en.oxforddictionaries.com/definition/longevity. Accessed 28 August 2018.

2. Gittleson, Kim. "Can a Company Live Forever?" *BBC News*, British Broadcasting Corporation, 19 January 2012, www.bbc.com/news/business-16611040. Accessed 28 August 2018.



## LETTER TO STAKEHOLDERS



**John Lim Kok Min**  
Chairman

**Thomas Chu Kok Hong**  
Managing Director

### Dear Fellow Stakeholders,

It gives us great pleasure to present to you the inaugural **Boustead Projects FY2018 Longevity Report** for the financial year ended 31 March 2018.

As a leading industrial real estate solutions provider in Singapore, Boustead Projects has demonstrated over 20 years of pioneership in industrial real estate solutions including the design-and-build and development of advanced eco-sustainable facilities serving clients from all over the world. Our ability to serve these clients including some of the world's best corporations, has been achieved through not only dedication and hard work but also deep collaboration and relationships that we have developed with key stakeholders regionally. We are great believers in building a sustainable future – through our designs, processes, products, services and solutions, especially the many Green Mark Platinum-rated buildings that

we have delivered including our global headquarters, Edward Boustead Centre. In all of this, it is not just about the end results but the journey there as well. Coincidentally, this year, we also witness the Boustead Group – the place where we have our roots and draw our heritage – celebrate 190 years of progress, truly an unrivalled milestone in Singapore's corporate history as the Boustead Group maintains the longstanding position as Singapore's oldest continuous business. The Boustead Group engenders the true meaning of sustainability, or as the Boustead Group prefers to refer to it, longevity.

Even as we continue to shape the face of business and industrial parks around the region, we do so with a commitment to being honourable and building a climate of fairness, honesty, trust and sincerity, not just with our clients but also with key stakeholders such as our team, strategic partners, suppliers, lenders, shareholders,

media, governments and communities. As we help clients to build their next stage of growth, we want all key stakeholders to grow and benefit as well, in the healthiest way possible and with a minimal ecological footprint.

Focusing on our mission, vision, strong human-centric corporate values and the need to pursue business with a greater purpose, will allow us to achieve our long-term objectives to be adaptable and relevant, deliver sustainable value and progress to key stakeholders, and make a positive impact economically, environmentally and socially on the world.

As you read this inaugural report, we hope to impart to you an in-depth understanding of how we ensure our longevity and strive towards what the Boustead Group has achieved in longevity, and how this translates to delivering sustainable value and progress to key stakeholders,

along with the communities that we reside in and our collective home – Planet Earth. Our performance, policies and practices on material economic, environmental, social and governance topics are also explained.

We are proud of what we have achieved to date but there is always room for growth and improvement.

Thank you for entrusting us with the role of being a responsible corporate citizen, one which we hope to honour for many more decades to come. This journey is an ultra-triathlon, one which we will continue running and hope to have you join, even if only for part of the way. Have an enjoyable read.

**John Lim Kok Min**  
Chairman

**Thomas Chu Kok Hong**  
Managing Director

## 1.1 MISSION, VISION & BUSINESS MODEL

### 1.1.1 Mission

To be a real estate solutions provider with core competencies in design, value engineering and delivery of end-to-end eco-sustainable solutions that can be deployed in any industry and market.

### 1.1.2 Vision

To be a regional integrated real estate solutions leader offering a full suite of eco-sustainable capabilities.

### 1.1.3 Business Model

In order to achieve our mission, vision and long-term objectives, we rely on our business drivers: business platforms, strategies and business model value chain – guided by our fundamental principles and strong human-centric corporate values. These business drivers highlight how we combine our core competencies and strategies for international markets to allow us to achieve our long-term objectives to be adaptable and relevant, deliver sustainable value and progress to key stakeholders, and make a positive impact economically, environmentally and socially on the world.





<b>INTRODUCTION</b>	LONGEVITY REPORTING FRAMEWORK	PURSUING BUSINESS WITH A GREATER PURPOSE	DEVELOPING OUR BEST ASSET – BOUSTEAD PROJECTS EMPLOYEES	CONSERVING OUR COLLECTIVE HOME – PLANET EARTH	OTHER INFORMATION
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**Business Platforms**

- |   |  |  |
|---|--|--|
| <p><b>Positioning and presence</b></p> <ul style="list-style-type: none"> <li>• Extensive capabilities spanning design-and-build, development, leasehold portfolio management and ownership, and facilities management</li> <li>• Successful spotting and positioning on global megatrends</li> <li>• Growing regional presence with local market knowledge</li> <li>• Broad coverage of industries with clients among world's best corporations</li> </ul> | <p><b>Performance</b></p> <ul style="list-style-type: none"> <li>• Market leader in Singapore with extensive track record in delivering best-in-class projects</li> <li>• Green Mark Platinum industrial leader with firsts in heavy industry, aerospace industry and logistics industry categories</li> <li>• Manager and owner of growing leasehold portfolio</li> <li>• Commitments to quality and EHS performance</li> </ul> | <p><b>People</b></p> <ul style="list-style-type: none"> <li>• Top design-and-build team for advanced eco-sustainable industrial facilities</li> <li>• Empowering culture</li> <li>• Fair and non-discriminatory employment</li> <li>• Ability to attract, develop, motivate and retain talent</li> <li>• Industry technical experts</li> </ul> |
|---|--|--|

**Strategies**

- |  |  |  |  |
|--|--|--|--|
| <p><b>Regional expansion</b></p> <p>With a strong brand heritage, our expansion into fast-growing regional markets rides upon in-depth domain expertise, leading industry market positions and a diversified track record in delivering over 3,000,000 square metres of industrial facilities in Singapore, China, Malaysia and Vietnam.</p> | <p><b>Partnerships, acquisitions and investments</b></p> <p>Our continuous search for strategic partnerships, catalytic acquisitions and investments is aimed at accelerating our business expansion, enhancing capabilities, broadening revenue streams and driving sustainable long-term growth.</p> | <p>solutions that raise efficiency and multi-decade building lifecycle sustainability.</p>   | <p>the Building &amp; Construction Authority's Green &amp; Gracious Builder Scheme and the Workplace Safety &amp; Health Council's bizSAFE Programme.</p>  |
| <p><b>Growing leasehold portfolio</b></p> <p>Our growing leasehold portfolio of both wholly-owned and jointly-owned leasehold properties contribute recurring rental income and management fees.</p>   | <p><b>Integrated capabilities</b></p> <p>Our integrated suite of capabilities – spanning design-and-build, development, leasehold portfolio management and ownership, and facilities management – are aimed at helping clients to achieve highly effective and cost competitive</p>                    | <p><b>Risk and reward balance</b></p> <p>We are vigilant in ensuring that our strategies to enhance stakeholder value are well-supported by sound risk management.</p> | <p><b>Technological enablement</b></p> <p>Our ongoing business transformation is supported by steady adoption of digitally-enabled, productivity-enhancing approaches like integrated digital delivery, building information modelling, design for manufacturing and assembly, and smart building capabilities. We aim to be a market leader in the world of Industry 4.0.</p> |
| <p><b>Quality and EHS focus</b></p> <p>We strive to achieve the highest standards in quality and workplace EHS, building on our growing achievements under Enterprise Singapore's Business Excellence Framework,</p>   |  |  |  |

**Business Model Value Chain**



## 1.2 CORPORATE STEWARDSHIP & STRATEGIES

### 1.2.1 Corporate Stewardship for Longevity

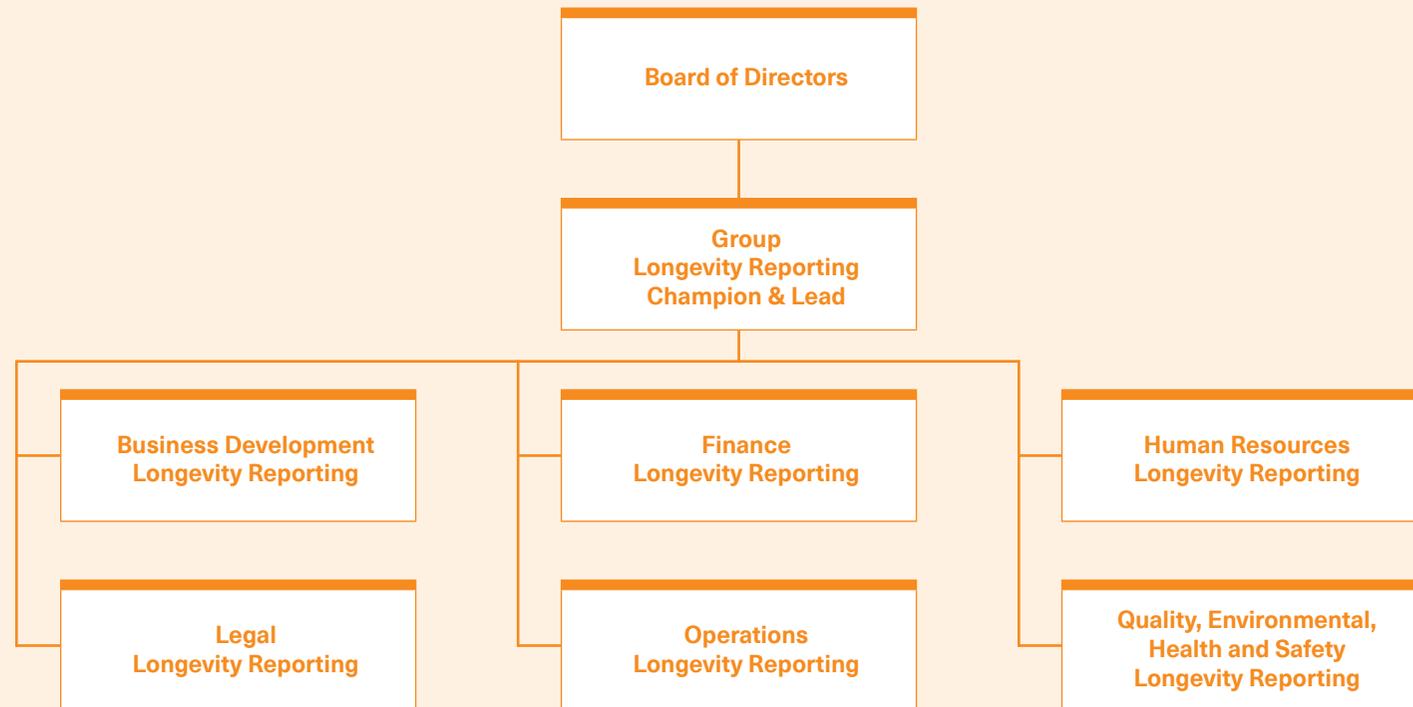
Our Board of Directors is responsible for Boustead Projects' corporate stewardship and strategies. In line with this, our Board also oversees performance, policies and practices in relation to environmental, social and governance ("ESG") topics.

During FY2017, our Board appointed a Group Longevity Reporting Champion & Lead who reports directly to our Board. The Group Longevity Reporting Champion & Lead guides the efforts and oversees those who are responsible for implementing our Longevity Reporting Framework (with material references to Global Reporting Initiative Standards) within our Group's departments. Departments report subsidiary level data on material ESG topics within this framework to the Group Longevity Reporting Champion & Lead on a quarterly basis.

### 1.2.2 Corporate Governance

As part of our Board's responsibility for our corporate stewardship and strategies, our Board is committed to maintaining a high standard of corporate governance and transparency within our Group, in line with the principles set out in the Code of Corporate Governance 2012 ("CG Code"). This establishes and maintains our Group's ethical and legal environment to preserve the interests of shareholders and all stakeholders.

### Longevity Reporting Structure



<b>INTRODUCTION</b>	LONGEVITY REPORTING FRAMEWORK	PURSUING BUSINESS WITH A GREATER PURPOSE	DEVELOPING OUR BEST ASSET – BOUSTEAD PROJECTS EMPLOYEES	CONSERVING OUR COLLECTIVE HOME – PLANET EARTH	OTHER INFORMATION
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Our Board is made up of respected business leaders and individuals with decades of commercial experience and diverse backgrounds covering numerous areas of business expertise. Two-thirds of our Board is made up of independent directors. Our Board is further assisted by three Board Committees – the Audit & Risk Committee, Nominating Committee and Remuneration Committee – each of which is headed by an independent non-executive director.

Our Board currently comprises:

1. John Lim Kok Min  
Chairman & Independent Non-Executive Director
2. Wong Yu Wei  
Deputy Chairman & Executive Director
3. Thomas Chu  
Managing Director & Executive Director

4. Chong Lit Cheong  
Independent Non-Executive Director
5. James Lim Jit Teng  
Independent Non-Executive Director

More information on the individual profiles of our directors is available within the *Boustead Projects FY2018 Annual Report* from pages 34 to 35.

Our latest Corporate Governance Report (“CG Report”) outlines our corporate governance practices with specific reference made to the principles and guidelines of the CG Code, which forms part of our continuing obligations under the SGX Mainboard Listing Manual. Our latest CG Report is available in its full text within the *Boustead Projects FY2018 Annual Report* from pages 46 to 60 and is referenced in this report, rather than completely repeated.

### Board & Board Committee Oversight Responsibilities



#### Board

- |   |   |  |
|---|---|--|
| <ul style="list-style-type: none"> <li>• Corporate strategies and policies</li> <li>• Annual operating and capital budgets</li> <li>• Ethics, values and standards</li> <li>• Risk appetite and internal controls</li> <li>• Sustainability issues</li> </ul> | <ul style="list-style-type: none"> <li>• Business affairs and management team performance</li> <li>• Financial performance</li> <li>• Annual reports, accounts and financial reporting</li> </ul> | <ul style="list-style-type: none"> <li>• Shareholders’ meetings</li> <li>• Dividend payments and distributions</li> <li>• Material acquisition and disposal of assets</li> </ul> |
|---|---|--|



#### Audit & Risk Committee

- Internal controls
- Annual reports, accounts and financial reporting
- External and internal audit plans and results
- External and internal audit functions
- Interested person transactions
- Conflict of interest
- Internal investigations and whistle-blowing
- Enterprise risk management



#### Nominating Committee

- Appointments and reappointments of Board Directors, Board Committee members and senior management
- Board and senior management succession
- Board performance
- Board professional development and training programmes
- Board independence
- Board conflict of interest



#### Remuneration Committee

- Remuneration policies and packages of Board Directors and senior management

### 1.2.3 Board Longevity Statement

Our Board is committed to ensuring our longevity, including reviewing our performance, policies and practices in relation to material ESG topics.

Our Board is assisted in this by our robust existing systems including audit, compliance, enterprise risk, financial, environmental, health and safety, human resource, information technology and operational management systems, along with the implementation of our Longevity Reporting Framework. Our Board assesses opportunities and risks presented by material ESG topics. This helps our Board to determine the appropriate strategies, policies and practices that will provide us with the adaptability and flexibility to seize opportunities to deliver sustainable value and progress to stakeholders, while being well-supported by sound risk management. Our risk appetite considers material ESG topics that may affect reputational risk, ethical and moral considerations, and have significant financial and non-financial implications.



### 1.3 FY2018 LONGEVITY PERFORMANCE SUMMARY

	Unit of Measurement	Capacity Contracted in FY2018	Capacity Supplied Prior to FY2018	Estimated Annual Capacity or Savings	Page
<b>Eco-Sustainable Solutions Performance</b>					
Green Mark Platinum buildings' estimated annual energy savings	GWh	1.7	35.4	37	23
Green Mark Platinum buildings' estimated annual water savings	cu m	4,390	82,715	87,000	23

	Unit of Measurement	FY2018 Group Performance	2017 Comparable Industries Average	2017 National Average	Page
<b>Operational Performance</b>					
<b>Team Development Programme</b>					
Net hiring growth rate	% of average headcount	+13.0	-7.7	-0.1	36
Monthly hiring rate	% of average headcount	4.1	1.9	2.1	36
Monthly turnover rate	% of average headcount	3.0	1.9	1.8	38
Performance appraisals rate	% of year-end headcount	83	n.a.	n.a.	37
Average annual training hours per team member	# of hours	8.5	n.a.	n.a.	37
Average annual medical leave taken per team member	# of days	2.4	n.a.	n.a.	38
Succession planning	% of senior management and key executive positions covered by named deputy or successor	100	n.a.	n.a.	38



	Unit of Measurement	FY2018 Group Performance	2017 Comparable Industries Average	2017 National Average	Page
<b>Operational Performance</b>					
<b>Workplace Safety and Health Performance</b>					
Accident frequency rate – team and suppliers	# of workplace accidents per million man-hours	1.1	1.6	1.6	40
Accident severity rate – team and suppliers	# of lost man days to workplace accidents per million man-hours	13	99	69	40
Occupational disease incidence rate – team and suppliers	# of occupational disease cases per 100,000 employees	0	25.7	23.6	40
<b>Environmental Stewardship</b>					
Average annual energy intensity:					
Design-and-build projects – Singapore only	kWh per sq m of constructed GFA	60.6	n.a.	n.a.	44
	MJ per sq m of constructed GFA	218.1	n.a.	n.a.	44
Administrative workplaces	kWh per employee	907.3	n.a.	n.a.	45
	MJ per employee	3,266.1	n.a.	n.a.	45
Edward Boustead Centre	kWh per sq m of GFA	154.5	268	255	45
Average annual water intensity:					
Design-and-build projects – Singapore only	cu m per sq m of constructed GFA	0.3	n.a.	n.a.	44
Administrative workplaces	cu m per employee	23.7	n.a.	n.a.	45
Edward Boustead Centre	cu m per sq m of GFA	1.1	1.1	n.a.	45
<b>Legal Compliance</b>					
Significant fines, non-monetary sanctions and cases brought against the Group through dispute resolution mechanisms in:					
Economic areas	# of incidents	0	n.a.	n.a.	47
Environmental areas	# of incidents	0	n.a.	n.a.	47
Social areas	# of incidents	0	n.a.	n.a.	47



## SECTION 2 – LONGEVITY REPORTING FRAMEWORK

### 2.1 ABOUT THIS REPORT

#### 2.1.1 Report Period & Scope

This is Boustead Projects' inaugural **Longevity Report** and first publication dedicated to providing a more holistic review of our performance, especially covering non-financial areas such as environmental, social and governance ("ESG") topics that are material to our business and key stakeholders.

This report contains at least one full-year of data on material ESG topics and is aligned with our financial reporting period from 1 April 2017 to 31 March 2018 ("FY2018").

This report should be read in conjunction with the *Boustead Projects FY2018 Annual Report* for context. It should also be noted that the governance topic has not been fully discussed in this report. Our latest Corporate Governance Report is available in its full text within the *Boustead Projects FY2018 Annual Report* from pages 46 to 60.

The term 'Longevity' has been used in direct replacement of the term 'Sustainability'.

#### 2.1.2 Report Content

Content in this report was defined by identifying and prioritising our material ESG topics through an ESG materiality assessment process.

This report has been prepared with material references to Global Reporting Initiative ("GRI") Standards: Core, with the exception that only one full-year of data has been reported on for most material ESG topics instead of two or more years of comparative

data as required by GRI Standards: Core. The respective GRI Standards that have been applied are available in the GRI Content Index listed on pages 48 to 53 of this report. References have also been made to the United Nations Sustainable Development Goals.

This report fully complies with the requirements of the SGX-ST Listing Rules Practice Note 7.6 Sustainability Reporting Guide.

Where the relevant material ESG topics have already been discussed in detail in the *Boustead Projects FY2018 Annual Report*, we shall make reference to such discussions without directly replicating them in this report.

Standard international units of measurement were used where possible, with conversion factors mentioned in relevant sections. Monetary values are presented in our functional reporting currency, Singapore dollars, unless otherwise indicated.

#### 2.1.3 Report Boundaries

This report covers Boustead Projects and our major subsidiaries globally including our global headquarters and subsidiaries in Singapore, China, Malaysia and Vietnam, unless otherwise indicated.

For a complete list of our significant subsidiaries as at 31 March 2018, please refer to the *Boustead Projects FY2018 Annual Report* from pages 98 to 99.

We have not sought external assurance for this report.

#### 2.1.4 Accessibility

In line with our commitment to environmental sustainability, we will not be printing any hard copies of this report. This report is available online at [www.bousteadprojects.com/investor\\_centre](http://www.bousteadprojects.com/investor_centre).

In the future, the **Longevity Report** will be an annual publication.

#### 2.1.5 Feedback Channel

We welcome comments and feedback from our stakeholders in relation to this report and our performance, policies and practices discussed in this report. If you have any comments or feedback, please e-mail [ir.team@boustead.sg](mailto:ir.team@boustead.sg).

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INTRODUCTION	<b>LONGEVITY REPORTING FRAMEWORK</b>	PURSUING BUSINESS WITH A GREATER PURPOSE	DEVELOPING OUR BEST ASSET – BOUSTEAD PROJECTS EMPLOYEES	CONSERVING OUR COLLECTIVE HOME – PLANET EARTH	OTHER INFORMATION
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**2.2 ENVIRONMENTAL, SOCIAL & GOVERNANCE MATERIALITY ASSESSMENT**

Boustead Projects conducts an environmental, social and governance (“ESG”) materiality assessment process in order to determine material ESG topics that should be included in this report. ESG topics are considered to be material if they may

have a significant impact on our business and ability to achieve our long-term objectives to be adaptable and relevant, deliver sustainable value and progress, and make a positive impact economically, environmentally and socially on the world. The views of both external and internal stakeholders are taken into account when determining ESG materiality.

To ensure that material ESG topics remain up-to-date, we periodically review current and emerging megatrends, changes in the economic, political, regulatory and ESG landscape in the geographic markets and industry clusters that we operate in, along with the views of key stakeholders. These are then integrated into our ESG materiality assessment process.

**2.2.1 Key Stakeholder Engagement**

We define key stakeholders as being groups that our business may have a significant impact on or vice versa, and who have a vested interest in the way that we conduct business. After a thorough review, nine key stakeholders were identified as shown here.

**Key Stakeholders, Significance & Key Conversations**

Key Stakeholders	Significance	Key Conversations
<p><b>Board and Team</b></p> <ul style="list-style-type: none"> <li>• Board of Directors</li> <li>• Managers</li> <li>• Executives</li> <li>• Non-executives</li> </ul>	<p>Boustead Projects’ team is our best asset. Attracting, developing, managing and retaining our team is a core priority given our knowledge-based, information-driven business model, which generally focuses on high-value added activities across the industrial real estate value chain. These activities include design, value engineering, project management, construction management and the application of proprietary domain expertise and extend over a regional network of key stakeholder relationships. Creating the ideal environment for our team to thrive in will eventually translate to delivery of sustainable value and progress to key stakeholders.</p>	<ul style="list-style-type: none"> <li>• Economic performance</li> <li>• Business model, strategy and outlook</li> <li>• Products and services (together “solutions”)</li> <li>• Corporate governance, policies and practices</li> <li>• Legal and regulatory compliance</li> <li>• Talent acquisition, management and retention</li> <li>• Succession planning</li> <li>• Quality, environmental, health and safety (“QEHS”)</li> <li>• Data and information security</li> <li>• Responsible communications</li> </ul>
<p><b>Clients</b></p> <ul style="list-style-type: none"> <li>• Direct clients</li> <li>• End-user clients (clients of clients)</li> </ul>	<p>We aim to gain an in-depth understanding of clients’ needs so that we are able to deliver progressive answers to them in the fast-paced global business environment. Collaborating with clients allows us to push the boundaries of paradigms, research and technologies to help clients improve business performance and sustainability.</p>	<ul style="list-style-type: none"> <li>• Solutions</li> <li>• Legal and regulatory compliance</li> <li>• QEHS</li> <li>• Data and information security</li> </ul>
<p><b>Strategic Partners</b></p> <ul style="list-style-type: none"> <li>• Associated companies</li> <li>• Joint ventures</li> <li>• Co-investment partners</li> </ul>	<p>Working with like-minded and reputable partners globally has allowed us to pool our complementary capabilities and expertise to widen our offerings and concurrently take on larger-scale projects, while simultaneously reducing commercial, operational and ESG risks related to a particular geographic market or industry cluster.</p>	<ul style="list-style-type: none"> <li>• Economic performance</li> <li>• Business model, strategy and outlook</li> <li>• Solutions</li> <li>• Corporate governance, policies and practices</li> <li>• Legal and regulatory compliance</li> <li>• QEHS</li> <li>• Data and information security</li> </ul>
<p><b>Suppliers</b></p> <ul style="list-style-type: none"> <li>• Consultants</li> <li>• Subcontractors</li> <li>• Suppliers</li> </ul>	<p>We have a regional network of suppliers that supports the construction of industrial facilities according to our designs. Major suppliers are selected based on pre-qualification assessments that include QEHS and other ESG factors, along with price.</p>	<ul style="list-style-type: none"> <li>• Solutions</li> <li>• Legal and regulatory compliance</li> <li>• QEHS</li> <li>• Data and information security</li> </ul>



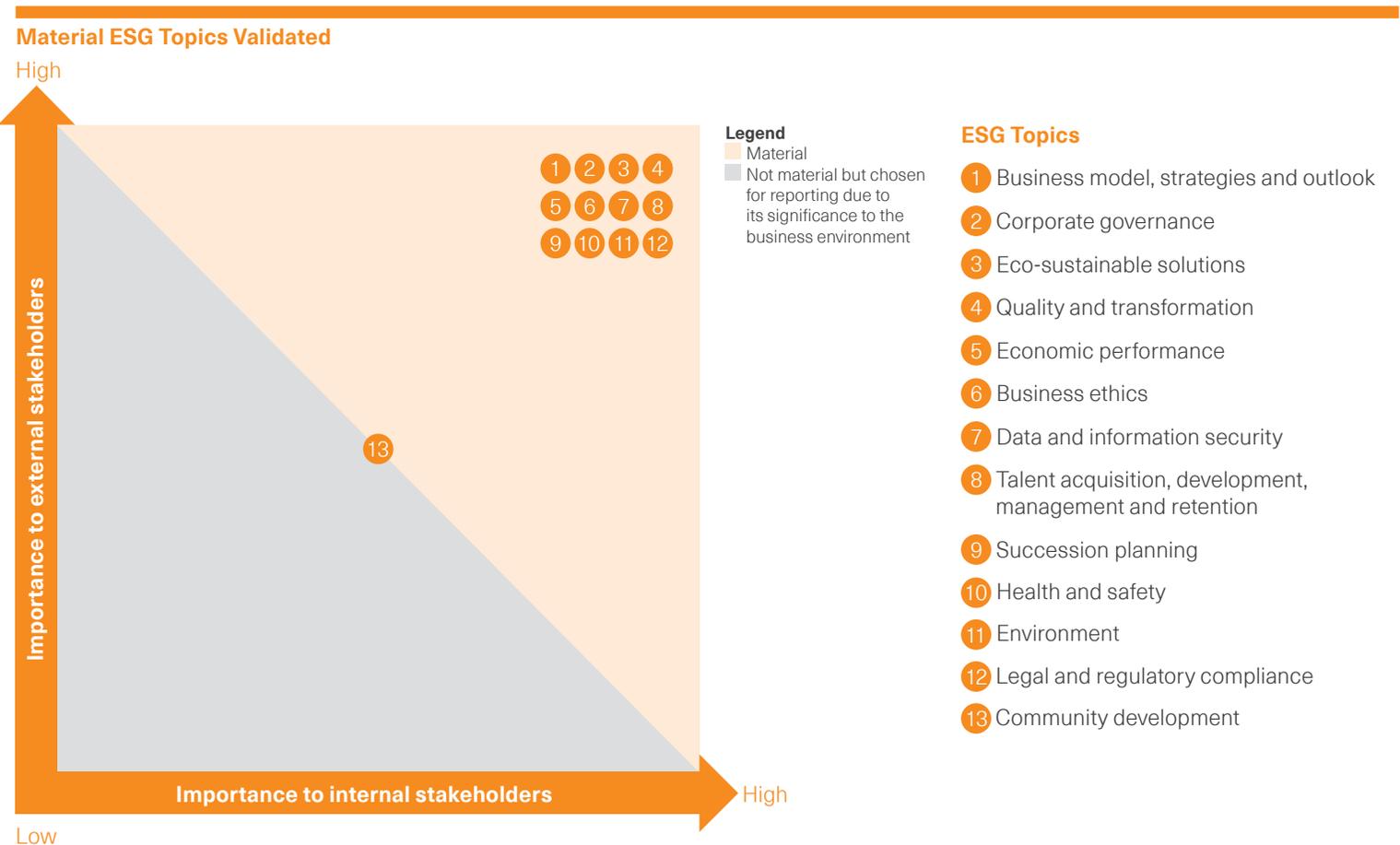
### Key Stakeholders, Significance & Key Conversations (cont'd)

Key Stakeholders	Significance	Key Conversations
<b>Lenders</b> <ul style="list-style-type: none"> <li>• Banks</li> <li>• Financial institutions</li> <li>• Trustees</li> </ul>	We have several principal bankers and lenders who support our business through the provision of bank loans and trade finance.	<ul style="list-style-type: none"> <li>• Economic performance</li> <li>• Business model, strategy and outlook</li> <li>• Corporate governance, policies and practices</li> <li>• Legal and regulatory compliance</li> </ul>
<b>Investors</b> <ul style="list-style-type: none"> <li>• Institutional investors</li> <li>• Research analysts</li> <li>• Retail investors</li> </ul>	As owners, shareholders share in our mission, vision, corporate values and goal to be a responsible corporate citizen with a greater purpose in mind. Ultimately, profit-driven motivations need to be aligned with our strong human-centric corporate values and allow us to deliver on our long-term objectives.	<ul style="list-style-type: none"> <li>• Economic performance</li> <li>• Business model, strategy and outlook</li> <li>• Solutions</li> <li>• Corporate governance, policies and practices</li> <li>• Talent acquisition, management and retention</li> <li>• Succession planning</li> <li>• QEHS</li> <li>• Open and transparent communications</li> </ul>
<b>Media</b> <ul style="list-style-type: none"> <li>• Mainstream journalists</li> <li>• Online social media influencers</li> </ul>	The media continues to share our corporate story with the world, from economic performance to milestone achievements. As unofficial historians of our performance, the media helps us to stay on track.	<ul style="list-style-type: none"> <li>• Economic performance</li> <li>• Corporate governance, policies and practices</li> <li>• Legal and regulatory compliance</li> <li>• QEHS</li> <li>• Fact-based and timely communications</li> </ul>
<b>Governments and regulators</b> <ul style="list-style-type: none"> <li>• National government agencies</li> <li>• State government agencies</li> <li>• Municipal government agencies</li> <li>• Regulators</li> </ul>	Governments and regulators provide us with our business licences to operate.	<ul style="list-style-type: none"> <li>• Corporate governance, policies and practices</li> <li>• Legal and regulatory compliance</li> <li>• Corporate taxes and relevant taxes</li> <li>• Talent acquisition, management and retention</li> <li>• QEHS</li> <li>• Data and information security</li> <li>• Proactive communications</li> </ul>
<b>Local Communities</b> <ul style="list-style-type: none"> <li>• Citizens</li> <li>• Communities surrounding projects</li> <li>• Beneficiaries of philanthropic contributions</li> <li>• Indirect beneficiaries of projects undertaken for end-user clients</li> </ul>	Given our regional business, we understand that we have an impact on communities around the region, who may be direct beneficiaries of the gainful employment we provide, community development programmes or indirect beneficiaries of projects undertaken for end-user clients that benefit those communities. Local communities provide us with our social licences to operate.	<ul style="list-style-type: none"> <li>• Legal and regulatory compliance</li> <li>• Solutions</li> <li>• QEHS</li> <li>• Interactive communications</li> </ul>

2.2.2 Material ESG Topics



During 2017, we conducted a materiality assessment workshop with our key team members including senior management and department heads in Singapore, who acted as proxies for the nine key stakeholders that have been identified, and highlighted and prioritised material ESG topics of relevance to these key stakeholders. Following the completion of the materiality assessment workshop, we were able to consolidate and validate 12 material ESG topics for inclusion in this report. One more ESG topic – community development – was not material but chosen for reporting due to its significance to the business environment.





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FRAMEWORKPURSUING BUSINESS WITH  
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HOME – PLANET EARTH

OTHER INFORMATION

### Material ESG Topics Boundaries, Impact & Disclosures

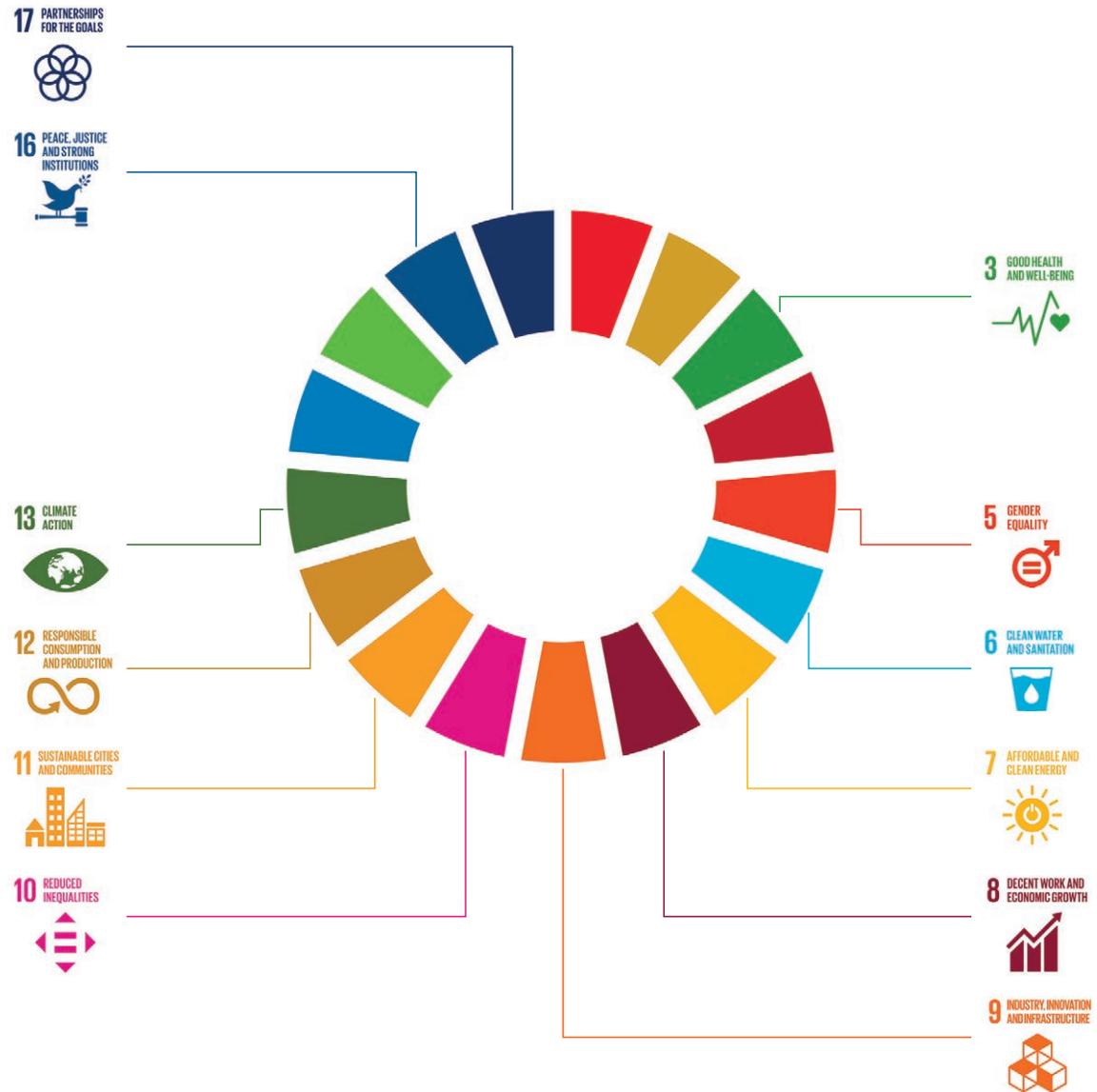
Material ESG Topic	Boundary and Impact	GRI Standard Disclosures	Addressed in this Report
Business model, strategies and outlook	• Most key stakeholders	• General disclosures	Section 1: Introduction
Corporate governance	• Most key stakeholders	• General disclosures	Section 1: Introduction
Eco-sustainable solutions	• Most key stakeholders	• GRI Standards not available	Section 3: Pursuing Business with a Greater Purpose
Quality and transformation	• Most key stakeholders	• GRI Standards not available	Section 3: Pursuing Business with a Greater Purpose
Economic performance	• Most key stakeholders	• Economic performance	Section 3: Pursuing Business with a Greater Purpose
Business ethics	• Most key stakeholders	• General disclosures • Customer privacy	Section 4: Developing Our Best Asset – Boustead Projects Team
Data and information security	• Board and team • Clients • Strategic partners • Suppliers • Governments and regulators	• Customer privacy	Section 4: Developing Our Best Asset – Boustead Projects Team
Talent acquisition, development, management and retention	• Board and team • Investors • Governments and regulators	• Employment • Occupational health and safety • Training and education	Section 4: Developing Our Best Asset – Boustead Projects Team
Succession planning	• Board and team • Investors	• Employment • Training and education	Section 4: Developing Our Best Asset – Boustead Projects Team
Health and safety	• Most key stakeholders	• Occupational health and safety • Socioeconomic compliance	Section 4: Developing Our Best Asset – Boustead Projects Team
Environment	• Most key stakeholders	• Energy • Water • Environmental compliance	Section 5: Conserving Our Collective Home – Planet Earth
Legal and regulatory compliance	• Most key stakeholders	• Environmental compliance • Socioeconomic compliance	Section 5: Conserving Our Collective Home – Planet Earth

**2.2.3 Opportunities & Risks**

We are vigilant in ensuring that our strategies to enhance stakeholder value are well-supported by sound risk management. Our material ESG topics present us with both opportunities (if we embrace the right approaches to managing these ESG topics) and risks (if we neglect these ESG topics), which are supplemented by our robust existing systems and Enterprise Risk Management Framework.

In addition, on 1 January 2016, the United Nations (“UN”) officially rolled out 17 Sustainable Development Goals (“SDGs”) of the 2030 Agenda for Sustainable Development. The UN SDGs universally apply to all countries with the ultimate aim of mobilising all stakeholders – governments, civil societies, the private sector and others – to collectively contribute to ending poverty, fighting inequality and tackling climate change through three dimensions of sustainable development: economic growth, social inclusion and environmental protection.

We have summarised opportunities and risks from material ESG topics here, including how we can contribute to achieving the UN SDGs through our business and performance, policies and practices in relation to material ESG topics.





### Material ESG Topics Opportunities, Risks & United Nations Sustainable Development Goals

Material ESG Topic	Opportunities	Risks	Supporting UN SDG
Business model, strategies and outlook	<ul style="list-style-type: none"> <li>Enable adaptability and flexibility, and capability to seize good opportunities in timely manner</li> <li>Generate reasonable free cash flow, and sustainable value and progress for key stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Industry cycle recovery in Singapore's industrial real estate sector may be derailed by property cooling measures and restrictions</li> <li>Business model may be disrupted by disruptive technologies, industry cycles and megatrends</li> </ul>	8, 11, 17
Corporate governance, policies and practices	<ul style="list-style-type: none"> <li>Set business, compliance and ethical framework to enable us to continue role as responsible corporate citizen with greater purpose in mind</li> </ul>	<ul style="list-style-type: none"> <li>Under-compliance may create greater risks in all areas</li> <li>Over-compliance may restrict adaptability and flexibility, and unnecessarily tie up resources</li> </ul>	16
Eco-sustainable solutions	<ul style="list-style-type: none"> <li>Boost natural demand for solutions aligned with climate change, environmental and social initiatives, particularly for eco-sustainable industrial buildings and green construction methods</li> </ul>	<ul style="list-style-type: none"> <li>Demand may decline for specific solutions misaligned with climate change, environmental and social initiatives, particularly against non-eco-sustainable industrial buildings and wasteful construction methods</li> </ul>	6, 7, 9, 11, 12, 13, 17
Quality and transformation	<ul style="list-style-type: none"> <li>Strengthen market leadership positions in respective industries</li> <li>Gain competitive advantages through design, productivity and cost improvements</li> <li>Widen offerings into other real estate sectors</li> <li>Help clients to successfully shift into world of Industry 4.0</li> </ul>	<ul style="list-style-type: none"> <li>Business model may be disrupted by disruptive technologies, industry cycles and megatrends</li> <li>Market leadership positions and competitiveness may be eroded</li> <li>Sustainable value creation may be impeded with inability to uphold quality and transformation</li> </ul>	9
Economic performance	<ul style="list-style-type: none"> <li>Provide capital to incubate and grow new and existing businesses</li> <li>Build trust with multiple generations of key stakeholders</li> <li>Generate reasonable free cash flow, and sustainable value and progress for key stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Business model may be disrupted by disruptive technologies, industry cycles and megatrends</li> <li>Sustainable value creation may be impeded with loss of economic performance</li> </ul>	8, 9
Business ethics	<ul style="list-style-type: none"> <li>Build goodwill and trust with multiple generations of key stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Unethical behaviour may undo goodwill and trust with multiple key stakeholders</li> </ul>	12, 16
Data and information security	<ul style="list-style-type: none"> <li>Build goodwill and trust with key stakeholders, especially clients, and governments and regulators</li> <li>Ensure data integrity, particularly in deployment of building information modelling</li> </ul>	<ul style="list-style-type: none"> <li>Cyber attacks, hacking and phishing strategies are more sophisticated and may pose greater threats to even extremely secure IT networks</li> <li>Data and information security breaches may result in significant fines, losses of sensitive proprietary data and information, and affect competitiveness</li> </ul>	12, 16
Talent acquisition, development, management and retention	<ul style="list-style-type: none"> <li>Create work environment that promotes creativity, excitement and growth, and makes talent feel cared for, challenged, empowered and respected</li> <li>Translate to delivery of sustainable value and progress to key stakeholders</li> <li>Safeguard domain expertise</li> </ul>	<ul style="list-style-type: none"> <li>Aggressive competitors may poach talent</li> <li>Domain expertise may be lost</li> <li>Hiring and retraining costs may be more expensive in both monetary terms and time</li> <li>Sustainable value creation may be impeded with loss of talent</li> </ul>	3, 5, 8, 10



### Material ESG Topics Opportunities, Risks & United Nations Sustainable Development Goals (cont'd)

Material ESG Topic	Opportunities	Risks	Supporting UN SDG
Succession planning	<ul style="list-style-type: none"> <li>Provide talent with career prospects and ability to scale into leadership positions</li> <li>Safeguard domain expertise</li> <li>Provide corporate stability and continuity in execution of strategies</li> </ul>	<ul style="list-style-type: none"> <li>Earmarked leadership talent may leave or be poached due to misperceptions about career prospects or misalignments on expectations</li> <li>Domain expertise may be lost</li> <li>Hiring and retraining costs may be more expensive in both monetary terms and time</li> <li>Sustainable value creation may be impeded with loss of talent</li> </ul>	5, 8, 10
Health and safety	<ul style="list-style-type: none"> <li>Promote what is essential to longevity, which is prioritisation of life over profit</li> <li>Attract new talent and retain existing talent</li> </ul>	<ul style="list-style-type: none"> <li>Stricter legal and regulatory frameworks for health and safety issues may raise compliance costs</li> <li>Business licences to operate may be revoked under extreme non-compliance situations, resulting in existential threat</li> <li>Significant fines, imprisonment, lawsuits, loss of economic performance and severe reputational damage may result from non-compliance situations</li> </ul>	3
Environmental stewardship	<ul style="list-style-type: none"> <li>Boost natural demand for solutions aligned with climate change and environmental initiatives, particularly for eco-sustainable industrial buildings and green construction methods</li> <li>Save costs over long-term</li> </ul>	<ul style="list-style-type: none"> <li>Demand may decline for specific solutions misaligned with climate change and environmental initiatives, particularly against non-eco-sustainable industrial buildings and wasteful construction methods</li> <li>Business licences to operate may be revoked under extreme non-compliance situations, resulting in existential threat</li> <li>Significant fines, imprisonment, lawsuits, loss of economic performance and severe reputational damage may result from non-compliance situations</li> </ul>	11, 12, 13
Legal and regulatory compliance	<ul style="list-style-type: none"> <li>Build goodwill and trust with key stakeholders, especially governments and regulators</li> <li>Translate to delivery of sustainable value and progress to key stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Stricter legal and regulatory frameworks for socio-economic issues may raise compliance costs, in line with global ESG recognition and increased cross-border cooperation between jurisdictions</li> <li>Business licences to operate may be revoked under extreme non-compliance situations, resulting in existential threat</li> <li>Significant fines, imprisonment, lawsuits, loss of economic performance and severe reputational damage may result from non-compliance situations</li> </ul>	12, 16
Community development	<ul style="list-style-type: none"> <li>Build goodwill and trust with communities, who are providers of future talent</li> <li>Gain support of communities for projects regionally</li> </ul>	<ul style="list-style-type: none"> <li>Poor economic performance may hamper ability to contribute to community development, both directly and indirectly</li> </ul>	10



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## SECTION 3 – PURSUING BUSINESS WITH A GREATER PURPOSE

### OVER TWO DECADES OF PIONEERSHIP

Over Boustead Projects’ two decades of pioneership in the design-and-build and development of advanced eco-sustainable facilities, we have performed our role as a trustworthy corporate citizen, building business and trust with key stakeholders regionally, and delivering sustainable value and progress to them. Through our pursuit of business with a greater purpose, we have generated and distributed tremendous economic value and environmental, social and governance (“ESG”) benefits to key stakeholders including our team, clients, strategic partners, suppliers, lenders, shareholders, the media, governments and communities. Since our establishment in 1996, we have registered continuous profitability every year which we believe to be absolutely necessary if we are to be able

to maintain our generation of sustainable value and progress to key stakeholders, and reinvest for long-term success and longevity.

A common consideration in evolving our business model, pioneering new methodologies and investing in new acquisitions, developments and geographic markets in the industrial real estate sector has been based on assessing whether specific business expansions would not only provide sustainable profit but also serve a greater purpose through the direct and indirect benefits shared with as many key stakeholders in as many economic and ESG facets as possible. We have refrained from specific business expansions that could be highly profitable but yet are questionable on ethical and moral grounds, considered exploitative in nature or deemed as short-

term and unsustainable to begin with. The long and short of it is that business expansions must make good sense and instil a sense of good.

In line with this, our team, organisational ecosystem, and engineered products and services – primarily industrial real estate solutions (“solutions”) – have to inherently uphold the high honourable conduct and quality standards that have been associated with the Boustead Group for the past 190 years. In addition, we embrace transformation or aim to be transformative where possible, in order to promptly adapt to new megatrends and the prevailing global landscape that has emerged over time.

Our pioneering achievements in the industrial real estate sector are summarised here.

In FY2018, our business was categorised into two key revenue-generating segments: Design-and-Build and Leasing. A third segment, Strategic Partnerships & Investments generated activities which fed directly into Design-and-Build and Leasing. These segments are shown on page 19 of this report.

This section covers how we are pursuing business with a greater purpose through our integrated industrial real estate solutions model, eco-sustainable solutions, quality, transformation initiatives and generation of economic value, which are derived from the combined depth of all six capitals – financial, manufactured, intellectual, human, social and relationship, and natural – and ultimately deliver positive net effects for all six capitals.

### Pioneering Achievements

#### 1996

- Established Boustead Projects and pioneered design-and-build methodology for industrial real estate sector in Singapore

#### 2003

- Pioneered design-build-and-lease methodology for industrial real estate sector in Singapore

#### 2009

- Pioneered first Green Mark Platinum-rated industrial facility in heavy industry category
- Today, market leader in Green Mark Platinum-rated industrial facilities

#### 2011

- Named bizSAFE Mentor
- Today, one of only nine bizSAFE Mentors and only one among direct competitors

#### 2017

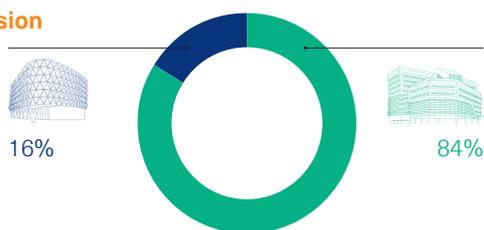
- Pioneered full integrated digital delivery platform with building information modelling (“BIM”) to cover entire multi-decade building lifecycle
- Pioneered ALICE @ Mediapolis, first truly smart building in any business park in Singapore

**GROUP AT A GLANCE**

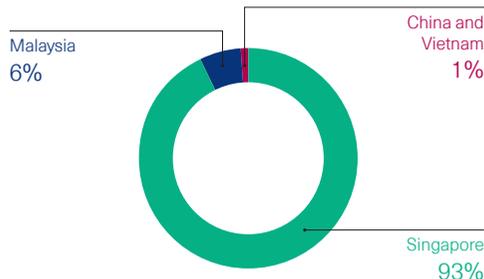
**Group Revenue**  
**S\$201.3million**

FY2017: S\$228.3 million

**By division**

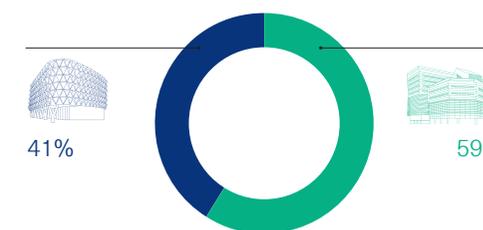


**By region**



**Group Profit Before Income Tax**  
**S\$35.5 million**

FY2017: S\$44.9 million



**Group Net Profit**  
**S\$29.2 million**

FY2017: S\$36.1 million

**Group Contracts Secured**  
**S\$233 million**

FY2017: S\$140 million

**Group Net Assets**  
**S\$244.1 million**

FY2017: S\$229.4 million

**Earnings Per Share**  
**9.1¢**

FY2017: 11.3¢

**Net Asset Value Per Share**  
**79.0¢**

FY2017: 71.7¢

**Leasehold Portfolio Gross Floor Area (both completed and under construction)**

**275,308 sqm**

FY2017: 275,308 sqm



**Design-and-Build**

Our design-and-build business provides turnkey expertise for custom-built facilities for multinational corporations and local enterprises including:

1. Industrial facilities;
2. Business park and commercial buildings; and
3. Industrial and business parks.

We have constructed and developed more than 3,000,000 square metres of industrial real estate in Singapore, China, Malaysia and Vietnam.



**Leasing**

Our leasing business provides development, leasehold portfolio management and ownership, and facilities management expertise for custom-built facilities to be leased to multinational corporations and local enterprises.

We have developed and retained a leasehold portfolio consisting of primarily single-tenanted custom-built advanced industrial facilities leased to a group of reputable end-user clients.



**Strategic Partnerships & Investments**

We have established several strategic partnerships and platforms to enhance our competitive position and geographically expand across Asia. Working with like-minded and reputable partners on several fronts has allowed us to pool our complementary capabilities and expertise to take on larger-scale projects and broaden our offerings to clients, while simultaneously reducing commercial and operational risks related to a particular geographic market, industry cluster or real estate sector.



### 3.1 INTEGRATED INDUSTRIAL REAL ESTATE SOLUTIONS PROVIDER

As the only generally acknowledged integrated industrial real estate solutions provider listed on the SGX Mainboard with integrated capabilities covering most of the industry value chain, we provide development, design-and-build, leasehold portfolio management and ownership, and facilities

management for industrial facilities, business park and commercial buildings, and industrial and business parks as shown here. Our main market is in Singapore with a growing presence in overseas markets including China, Malaysia and Vietnam.

Our integrated capabilities – development, design-and-build, leasehold portfolio

management and ownership, and facilities management – are reinforced by our excellent quality and environmental, health and safety (“EHS”) track records, and outright market leadership in building advanced eco-sustainable industrial facilities.

Our capabilities are aimed at helping clients to achieve highly effective and cost competitive

solutions that raise efficiency and sustainability. Furthermore, our integrated digital delivery system brings various development, design and building disciplines under one roof and eliminates significant additional costs, coordination, time and wastage for clients, with building information modelling as the centrepiece digitalisation technology for significantly enhanced productivity.

#### Value Creation across Industrial Real Estate Value Chain

Industrial Real Estate Value Chain			
	Development	Design-and-Build	Leasehold Portfolio Management and Ownership
Capabilities	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Feasibility studies</li> <li><input checked="" type="checkbox"/> Land sourcing and acquisition</li> <li><input checked="" type="checkbox"/> Development planning</li> <li><input checked="" type="checkbox"/> Financing</li> </ul>	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Design</li> <li><input checked="" type="checkbox"/> Value engineering</li> <li><input checked="" type="checkbox"/> Structural engineering</li> <li><input checked="" type="checkbox"/> Project management</li> <li><input checked="" type="checkbox"/> Construction and site management</li> <li><input checked="" type="checkbox"/> Asset enhancement</li> <li><input checked="" type="checkbox"/> Additions &amp; alterations</li> </ul>	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Ownership</li> <li><input checked="" type="checkbox"/> Asset management and stabilisation</li> <li><input checked="" type="checkbox"/> Facilities management</li> <li><input checked="" type="checkbox"/> Redevelopment</li> </ul>
Assets and Teams	<ul style="list-style-type: none"> <li>• Business development team</li> <li>• Real estate team</li> <li>• Joint venture partnerships</li> </ul>	<ul style="list-style-type: none"> <li>• Business development team</li> <li>• Architectural and design team</li> <li>• Structural engineering team</li> <li>• Quantity surveying team</li> <li>• Project management team</li> <li>• Construction and site management team</li> <li>• Quality assurance and improvement team</li> <li>• EHS team</li> </ul>	<ul style="list-style-type: none"> <li>• Real estate team</li> <li>• Wholly-owned properties</li> <li>• Jointly-owned properties</li> </ul>
Presence	<ul style="list-style-type: none"> <li>• Singapore</li> <li>• China</li> <li>• Malaysia</li> <li>• Vietnam</li> </ul>	<ul style="list-style-type: none"> <li>• Singapore</li> <li>• Malaysia</li> <li>• Vietnam</li> </ul>	<ul style="list-style-type: none"> <li>• Singapore</li> <li>• China</li> <li>• Malaysia</li> <li>• Vietnam</li> </ul>



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One of our key design-and-build offerings is value engineering, the systematic design or redesign of a custom-built industrial facility to ensure that clients enjoy greater or similar facility performance, function and quality at significantly reduced costs. We eliminate potential over-design and over-construction that is usually present where multiple independent third-parties are involved. Through value engineering, we continue to unlock value for clients with significant savings in cost, coordination, equipment, materials and time as compared to conventional construction projects. We have changed the norms by which custom-built industrial facilities are delivered.

Our capabilities now include pioneering the introduction of smart building capabilities and proven technologies to design-and-build and develop advanced eco-sustainable solutions in line with Industry 4.0 transformation

standards and the Singapore Government’s Industry Transformation Programme (“ITP”), which lays out 23 Industry Transformation Maps (“ITMs”) under six industry clusters to build a Future-Ready Singapore. Our direct contributions to the ITP are made within the ‘Built Environment’ industry cluster, while we provide indirect contributions to support transformations in other industry clusters – essential domestic services, lifestyle, manufacturing, modern services, and trade and connectivity – through the solutions that we provide to the key players within these industry clusters.

**3.2 ECO-SUSTAINABLE SOLUTIONS**

Our solutions are experiential and extremely functional spaces that are designed around clients’ key processes and requirements, where talented client teams from the world’s best corporations are placed in the ideal built environment to collaborate and:

- Give birth to new ideas and innovations – R&D centres;
- Create solutions and technologies that drive the global economy – high-tech engineering and manufacturing facilities; and
- Distribute solutions and technologies globally – logistics facilities.

To do so, we continue to develop solutions that are eco-sustainable, meaning that they have a positive ecological impact. ‘Eco-’ based on the root word ‘ecological’ is defined as ‘relating to or concerned with the relation of living organisms to one another and to their physical surroundings.’<sup>2</sup> Our eco-sustainable solutions are expected to deliver primary benefits to clients, usually economic in nature, and secondary benefits to clients and other key stakeholders, which transcend economic value into ESG benefits, with an overall positive bottomline for the entire ecosystem that our solutions fit into.

This is extremely important given that the United Nations’ *Global Status Report 2017* states that buildings and construction together account for 36% of global final energy usage and 39% of energy-related carbon dioxide emissions when upstream power generation is included.<sup>3</sup> Furthermore, 83% of energy-related carbon dioxide emissions related to buildings and construction are generated by the energy consumed when completed buildings are in use<sup>4</sup> or what is referred to as operating energy. As such, our eco-sustainable solutions which are already directly influencing and reducing energy loss, emissions, pollution, and energy and water consumption have the potential to do so in the future as well during the highest emissions period in the multi-decade building lifecycle.

The primary and secondary benefits, industry diversification and long-term market outlook for our solutions are summarised here.

**Solutions**

Segment	Primary Benefits	Secondary Benefits	Long-Term Market Outlook
 <p><b>Design-and-Build</b></p> <ul style="list-style-type: none"> <li>• Regional business in wide range of heavy and light industries</li> </ul>	<ul style="list-style-type: none"> <li>• Advanced eco-sustainable industrial facilities that meet Industry 4.0 transformation standards</li> <li>• Client ownership model</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced construction time, waste, emissions and pollution during design, construction and building operations</li> </ul>	<ul style="list-style-type: none"> <li>• Stronger demand aligned with climate change, legislative and Industry 4.0 transformation trends</li> </ul>
 <p><b>Leasing</b></p> <ul style="list-style-type: none"> <li>• Primarily Singapore development and leasehold portfolio business in wide range of heavy and light industries</li> <li>• Small regional business</li> </ul>	<ul style="list-style-type: none"> <li>• Advanced eco-sustainable industrial facilities that meet Industry 4.0 transformation standards</li> <li>• Client leasing model</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced energy and water consumption during building operations</li> <li>• Resource security</li> </ul>	

1 “Overview.” Singapore Government, Ministry of Trade & Industry, 31 October 2016, updated 24 October 2018, www.mti.gov.sg/itms/overview. Accessed 24 October 2018.  
 2 “Definition of Ecological in English.” *Oxford Living Dictionaries*, Oxford University Press, en.oxforddictionaries.com/definition/ecological. Accessed 28 August 2018.  
 3 “Global Perspectives.” *Global Status Report 2017: Towards a Zero-Emission, Efficient, and Resilient Buildings and Construction Sector*, United Nations, UN Environment & International Energy Agency, UN Environment Programme, 11 December 2017, page 6, www.worldgbc.org/news-media/global-status-report-2017. Accessed 28 August 2018.  
 4 “Figure 2: Amount of CO2 Emissions which the Construction Industry has the Ability to Influence 2008.” *Estimating the Amount of CO2 Emissions that the Construction Industry can Influence: Supporting Material for the Low Carbon Construction IGT Report*, UK Government, Department for Business, Energy & Industrial Strategy, Autumn 2010, assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/31737/10-1316-estimating-co2-emissions-supporting-low-carbon-igt-report.pdf. Accessed 28 August 2018.



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### 3.2.1 Solutions Supporting Economic Activities

Our solutions have been implemented to support niche segments of hard infrastructure, primarily industrial and business parks that form the backbone of economic activities in both developed and emerging markets. Today, our solutions integrate Industry 4.0 transformation standards that increasingly support clients with smart buildings.

### 3.2.2 Solutions with Additional ESG Benefits – Green Buildings

Outside of the economic value that clients receive, our eco-sustainable solutions also offer significant secondary benefits in ESG facets. With the eco-sustainability practices of clients coming under increased scrutiny from their own key stakeholders, we have been delivering eco-sustainable solutions that help them to match their global growth strategies with better management of their ecological footprints and compliance with environmental regulations. Clients who embrace our eco-sustainable solutions also receive social benefits such as boosting and protecting their relationships and reputations with their key stakeholders.

Our eco-sustainable solutions have helped clients to significantly reduce energy loss, emissions, pollution, waste, and energy and water consumption throughout the

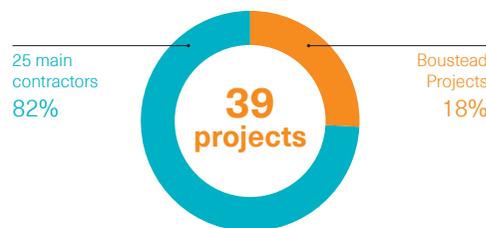
multi-decade building lifecycle. Our eco-sustainable built environment is conducive to create a healthy and productive internal environment for clients, while reducing the ecological impact on the natural environment and surrounding communities.

Reporting to the Singapore Government’s Ministry of National Development, the Building & Construction Authority (“BCA”) is the agency responsible for championing the development of an excellent built environment for Singapore. In 2009, we broke new ground with the delivery of the first Green Mark Platinum-rated industrial facility in the heavy industry category for a Fortune 500 corporation, Applied Materials under the BCA’s Green Mark Programme. Since then, we have proceeded to become the outright market leader in delivering Green Mark Platinum-rated industrial facilities and also delivered LEED-rated industrial facilities under the US Green Building Council (“USGBC”)’s internationally-recognised Leadership in Energy & Environmental Design (LEED) Program. Our milestones include delivering the first Green Mark Platinum-rated industrial facilities in the heavy industry, aerospace and logistics industry categories, and about 18% and 33% of all new private sector Green Mark Platinum-rated industrial facilities and logistics facilities respectively on Business 1 and Business 2 industrial-zoned land.<sup>5</sup>

### BCA Green Mark Programme for Non-Residential Buildings 2015

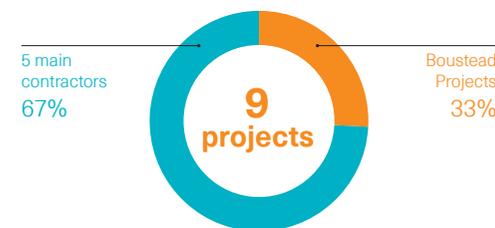
Green Mark Rating	Score
Green Mark Platinum	Above 69
Green Mark Gold Plus	60 to 69
Green Mark Gold	51 to 59
Green Mark Certified	Applies to all new projects submitted for URA planning permission on or after 15 April 2008

### Green Mark Platinum Market Share for New Industrial Facilities



We have built about **1 out of every 5** Green Mark Platinum-rated industrial facilities.

### Green Mark Platinum Market Share for New Logistics Facilities



We have built **1 out of every 3** Green Mark Platinum-rated logistics facilities..

5 Track record updated to include 2018 BCA Green Mark Awards held in May 2018.



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During FY2018, we added to our Green Mark Platinum track record shown here with the Boustead Development Partnership's development of our landmark project of the year, ALICE @ Mediapolis ("ALICE"), the first truly smart building in any business park in Singapore. This 11-floor thriving ecosystem and future home for info-communications, media and technology multinational corporations, and fast-growing ventures, is set in a vibrant green landscape and embodies our best design-and-build practices and Industry 4.0 transformation

standards, which have been extensively used in ALICE's development and design-and-build phases, and will continue throughout ALICE's entire multi-decade building lifecycle.

As the outright market leader in the design-and-build of advanced eco-sustainable industrial facilities, we are taking our commitment further to attain higher Green Mark ratings in our role as a developer for multi-tenanted developments that we intend to own and lease out in Singapore.

In line with this, we designed and built our global headquarters – Edward Boustead Centre – to attain Green Mark Platinum in 2015, leading by example and showcasing to clients how extensive green building features can be incorporated into the design of all future buildings. Similarly, the same path was taken for ALICE, which recently attained the Green Mark Platinum. Moving forward, we will continue to explore ways to further introduce eco-sustainable solutions into our leasehold portfolio including the introduction of the Green Lease Scheme

at our multi-tenanted developments in Singapore.

In working towards the promotion of Green Mark Platinum-rated industrial facilities, our focus is on attaining high levels of energy efficiency, water efficiency, environmental protection, environmental quality and other green features. Many of the Green Mark Platinum-rated industrial facilities delivered by us incorporate the eco-sustainable features summarised here.

**Key Eco-Sustainable Features**

Design and Energy Efficiency	Water Efficiency	Environmental Protection	Environmental Quality	Other Green Features
<ul style="list-style-type: none"> <li>• Building envelope and façade design</li> <li>• Air conditioning and chiller plant performance</li> <li>• Air filtration systems</li> <li>• Lighting systems</li> <li>• Solar power systems</li> <li>• Sub-metering systems</li> <li>• Sensor systems</li> </ul>	<ul style="list-style-type: none"> <li>• Water efficient fittings</li> <li>• Rainwater harvesting for landscape irrigation and toilet flushing</li> <li>• Cooling tower treatment systems</li> <li>• Sub-metering systems</li> <li>• Sensor systems</li> </ul>	<ul style="list-style-type: none"> <li>• Green cement</li> <li>• Green concrete and recycled aggregate</li> <li>• Green label products</li> <li>• Compost and waste recycling</li> <li>• Precast elements</li> <li>• Sensor systems</li> </ul>	<ul style="list-style-type: none"> <li>• Low volatile organic compound and green label paints and adhesives</li> <li>• Acoustic systems</li> <li>• Smart mobile app energy and water usage monitoring systems</li> <li>• Sensor systems</li> </ul>	<ul style="list-style-type: none"> <li>• Roof gardens and sky terraces</li> <li>• Air handling unit condensate recycling</li> <li>• Electric vehicle charging stations</li> <li>• Bicycle and personal mobility device parking stations</li> <li>• Green leases</li> </ul>

**Green Mark Platinum Track Record**

<p><b>A building under construction - ALICE</b></p> <p><b>1.7 GWh</b></p> <p>and</p> <p><b>4,390 cu m</b></p>		<p><b>8 buildings</b></p> <p><b>35.4 GWh</b></p> <p>and</p> <p><b>82,715 cu m</b></p>		<p><b>9 buildings saving</b></p> <p><b>over 37 GWh of electricity</b></p> <p>and</p> <p><b>over 87,000 cu m of water</b></p>		<p><b>Electricity used by 7,800 homes in Singapore</b></p> <p>or</p> <p><b>S\$7.3 million</b></p> <hr/> <p><b>Water used to fill 34 Olympic size swimming pools</b></p> <p>or</p> <p><b>S\$0.1 million</b></p>	  
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Green Mark Platinum rating attained in FY2018      Green Mark Platinum ratings attained prior to FY2018      Estimated annual recovery

Note: Calculations are based on BCA Green Mark Programme assessments at the time when the Green Mark Platinum was awarded to a specific building, with conversion calculations based on the Energy Market Authority's and PUB's published statistics for electricity tariffs and industrial water tariffs respectively for 2017.



### 3.3 QUALITY

Quality has always been a defining factor in the total client experience. As part of our Quality Management System (“QMS”) which includes quality assurance and improvement programmes, we first embarked on ISO 9001 certification in 1999 and have had a QMS in place ever since. Shortly after the end of FY2018 in April 2018, our major design-and-build subsidiary in Singapore, Boustead Projects E&C Pte Ltd (“BP E&C”) received an upgrade to the latest ISO 9001:2015 standard. Our QMS sets out quality management system enablers, commitments, targets and responsibilities for our team. Our QMS is both externally and internally audited, and ensures quality management performance at all workplaces and project sites under our control on a daily basis.

As the delivery of quality is emphasised throughout all potential client touch points, our solutions are not always the lowest priced among competing solutions but do consistently deliver high quality client experiences and outcomes. Due to positive client experiences and outcomes, numerous clients have become repeat clients which is important in the context where almost all client relationships are business-to-business arrangements involving a smaller client base but larger transactional value as compared to what is typically seen in business-to-consumer arrangements. The embedding of quality into all potential client touch points is extremely important since a client team’s project journey together with us typically lasts for over one year and is made up of thousands of interactions between key stakeholders,

especially between our team and clients, strategic partners, suppliers, lenders, government agencies and regulators, all within a single project.

#### 3.3.1 Quality, Domain Expertise & Project Track Records as Client Pre-Qualifiers

Our clients range from reputable small and medium-sized enterprise clients to global clients including Forbes Fortune 500, S&P 500 and Euronext 100 corporations. Given the strong brand reputation of our clients and potential clients, there are usually more stringent expectations on quality, domain expertise and project track records since our solutions have such a significant impact on the achievement of clients’ global growth strategies and their own relationships with their key stakeholders. Many clients conduct financial, quality, EHS and project track record reviews on our business and at times, those of our suppliers, before pre-qualifying and inviting us to submit proposals, bids and tenders for potential projects. Once we become a pre-qualified main contractor to a specific client, we are routinely invited to submit proposals, bids and tenders for potential projects whenever the specific client reviews a potential new investment or project in Singapore and sometimes regionally.

In addition, BP E&C is approved by the BCA for Grade CW01-A1 and General Builder Class 1 License<sup>6</sup> to execute building construction contracts of unlimited value in the private and public sectors. This removes the limit on the size of contracts that we can undertake in Singapore.

#### 3.3.2 Construction Awards & Construction Quality Assessment System

We are a regular feature at the BCA Awards, an annual awards programme hosted by the BCA to recognise the best in building and construction practices and projects.

During FY2018 at the BCA Awards 2017 held in June 2017, we received a Construction Excellence Award (“CEA”) for the Seagate Singapore Design Center – The Shugart at Fusionopolis, one-north, while BP E&C received a BIM Gold Award in the Organisation Category. The CEA accords recognition to construction projects that have demonstrated the highest standards of construction excellence in Singapore, while the BIM Award (Organisation Category) recognises outstanding organisations for going the extra mile in BIM and virtual design and construction (“VDC”) adoption at the organisational level and also recognises organisations for their outstanding examples of BIM and VDC use in enhancing their own productivity. Separately at the BCA Awards 2017, a design-and-build project, Markono M-Cube received the Green Mark Gold for its eco-sustainable features.

In FY2018, BP E&C also achieved the Singapore Quality Class (“SQC”) certification under SPRING Singapore’s Business Excellence Framework. SQC recognises organisations that have attained robust business fundamentals and met standards for good business performance based on global benchmarks in areas including leadership, customers, strategy, people and process, knowledge and results.

Shortly after the end of FY2018 at the BCA Awards 2018 held in May 2018, we received the Green & Gracious Builder Award (Excellent) for overall excellent environmental, professional and sustainability practices, an upgrade from the Green & Gracious Award (Merit) attained in 2015. Separately at the BCA Awards 2018, ALICE received the Green Mark Platinum for its outstanding eco-sustainable features.

To date, we have delivered 66 projects which are at least Green Mark-certified. Our construction quality and eco-sustainable efforts have been recognised with 24 construction quality and Green Mark awards at the BCA Awards as shown on page 25 of this report.

As a promoter of quality, we are a leader in the BCA’s Construction Quality Assessment System (“CONQUAS”), which is used to measure the quality achieved in a completed construction project in Singapore in respect of structural, architectural, and mechanical & electrical works. CONQUAS is a voluntary quality assessment in respect to most private sector design-and-build and development projects for industrial facilities.

Shortly after the end of FY2018, a design-and-build project, ST Omega 2 for Singapore Technologies Electronics received a CONQUAS score of 91.5%, placing it within the all-time top 10 industrial projects list. To date, our efforts in construction quality have been recognised with seven projects ranked in the CONQUAS all-time top 100 industrial projects list<sup>7</sup>, making us the top main contractor on the list. Our track record of nine projects on the CONQUAS including non-industrial projects is shown on page 26 of this report.

6 Our BCA license registrations are available at [www.bca.gov.sg/bcadirectory/company/details/201432108g](http://www.bca.gov.sg/bcadirectory/company/details/201432108g).

7 “IQUAS: Information on Construction Quality.” Singapore Government, Building & Construction Authority, [www.bca.gov.sg/professionals/iquas/iquas/default.aspx](http://www.bca.gov.sg/professionals/iquas/iquas/default.aspx). Accessed 28 August 2018.



INTRODUCTION

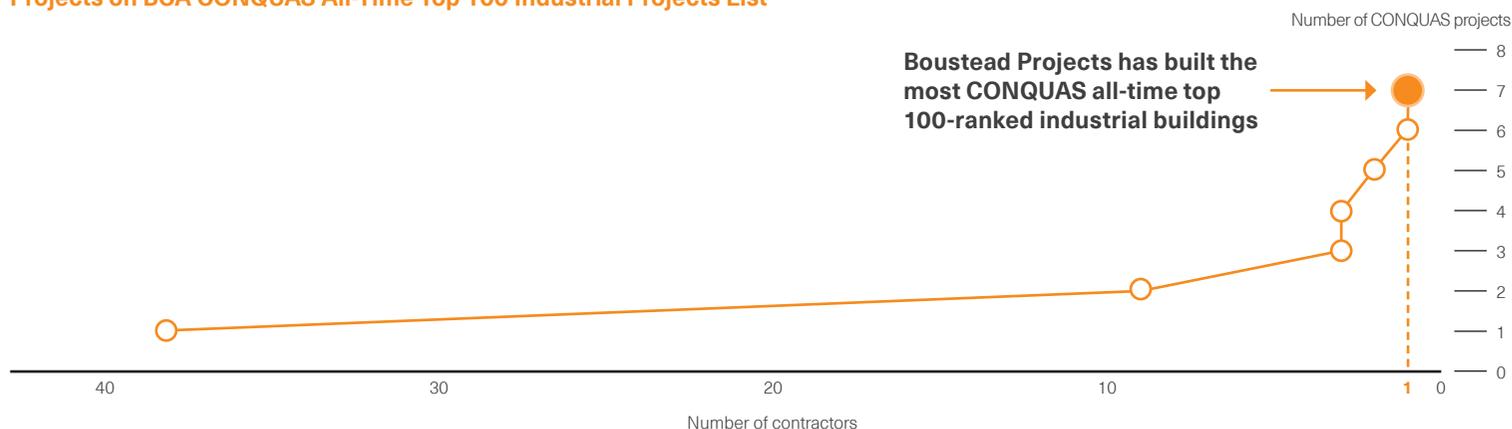
LONGEVITY REPORTING  
FRAMEWORKPURSUING BUSINESS WITH  
A GREATER PURPOSEDEVELOPING OUR BEST ASSET –  
BOUSTEAD PROJECTS EMPLOYEESCONSERVING OUR COLLECTIVE  
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## BCA Awards

Awarded by:				
BCA				USGBC
	Construction Quality	Green Mark Platinum	Green Mark Gold	LEED Gold
Total	6 awards	9 awards	9 awards	3 awards
2018	<ul style="list-style-type: none"> <li>BP E&amp;C: Green &amp; Gracious Builder Award (Excellent)</li> </ul>	<ul style="list-style-type: none"> <li>ALICE @ Mediapolis</li> </ul>		
2017	<ul style="list-style-type: none"> <li>Construction Excellence Award for Seagate Singapore Design Center – The Shugart</li> <li>BP E&amp;C: BIM Gold Award – Organisation Category</li> </ul>		<ul style="list-style-type: none"> <li>Markono M-Cube</li> <li>XP Power (Green Mark Gold Overseas recertification)</li> </ul>	
2016		<ul style="list-style-type: none"> <li>Kuehne + Nagel Singapore Logistics Hub</li> </ul>		<ul style="list-style-type: none"> <li>Kuehne + Nagel Singapore Logistics Hub</li> </ul>
2015	<ul style="list-style-type: none"> <li>Green &amp; Gracious Builder Award (Merit)</li> <li>Construction Productivity Award – Projects for Edward Boustead Centre</li> </ul>	<ul style="list-style-type: none"> <li>Edward Boustead Centre</li> <li>Seagate Singapore Design Center – The Shugart</li> </ul>		
2014	<ul style="list-style-type: none"> <li>Construction Excellence Certificate of Merit for SDV Green Hub</li> </ul>	<ul style="list-style-type: none"> <li>DB Schenker Shared Logistics Center 3 (Tampines LogisPark)</li> </ul>		
2013			<ul style="list-style-type: none"> <li>Greenpac Greenhub</li> <li>Jabil Circuit</li> <li>Kerry Logistics Centre</li> <li>Satair Airbus Singapore Centre</li> </ul>	<ul style="list-style-type: none"> <li>Kerry Logistics Centre</li> <li>SDV Green Hub</li> <li><b>/ 1st LEED Gold in logistics industry in Asia /</b></li> </ul>
2012		<ul style="list-style-type: none"> <li>SDV Green Hub</li> <li><b>/ 1st in logistics industry category /</b></li> </ul>	<ul style="list-style-type: none"> <li>XP Power (Green Mark Gold Overseas)</li> <li><b>/ 1st Green Mark in non-residential building category in Vietnam /</b></li> </ul>	
2011		<ul style="list-style-type: none"> <li>Rolls-Royce Wide Chord Fan Blade Manufacturing Facility</li> <li>Rolls-Royce Test Bed Facility</li> <li><b>/ 1st in aerospace industry category /</b></li> </ul>		
2010			<ul style="list-style-type: none"> <li>IBM Singapore Technology Park</li> <li>Sun Venture Investments @ 50 Scotts Road</li> </ul>	
2009		<ul style="list-style-type: none"> <li>Applied Materials Building</li> <li><b>/ 1st in heavy industry category /</b></li> </ul>	<ul style="list-style-type: none"> <li>StarHub Green</li> </ul>	

**Projects on BCA CONQUAS All-Time Top 100 Industrial Projects List**



**Projects on BCA CONQUAS List**

Project	CONQUAS Score	Rank on All-Time Top 100 Industrial Projects List (August 2018)
Seagate Singapore Design Center – The Shugart	92.2%	n.a. (commercial project)
ST Omega 2	91.5%	10th
Edward Boustead Centre	91.3%	14th
Kerry Logistics Centre	90.7%	16th
SDV Green Hub	90.3%	20th
ST Electronics Building	89.1%	29th
ST Engineering Hub	85.1%	52nd
Rolls-Royce Test Bed Facility	82.9%	75th
Sun Venture Investments @ 50 Scotts Road	81.5%	n.a. (commercial project)

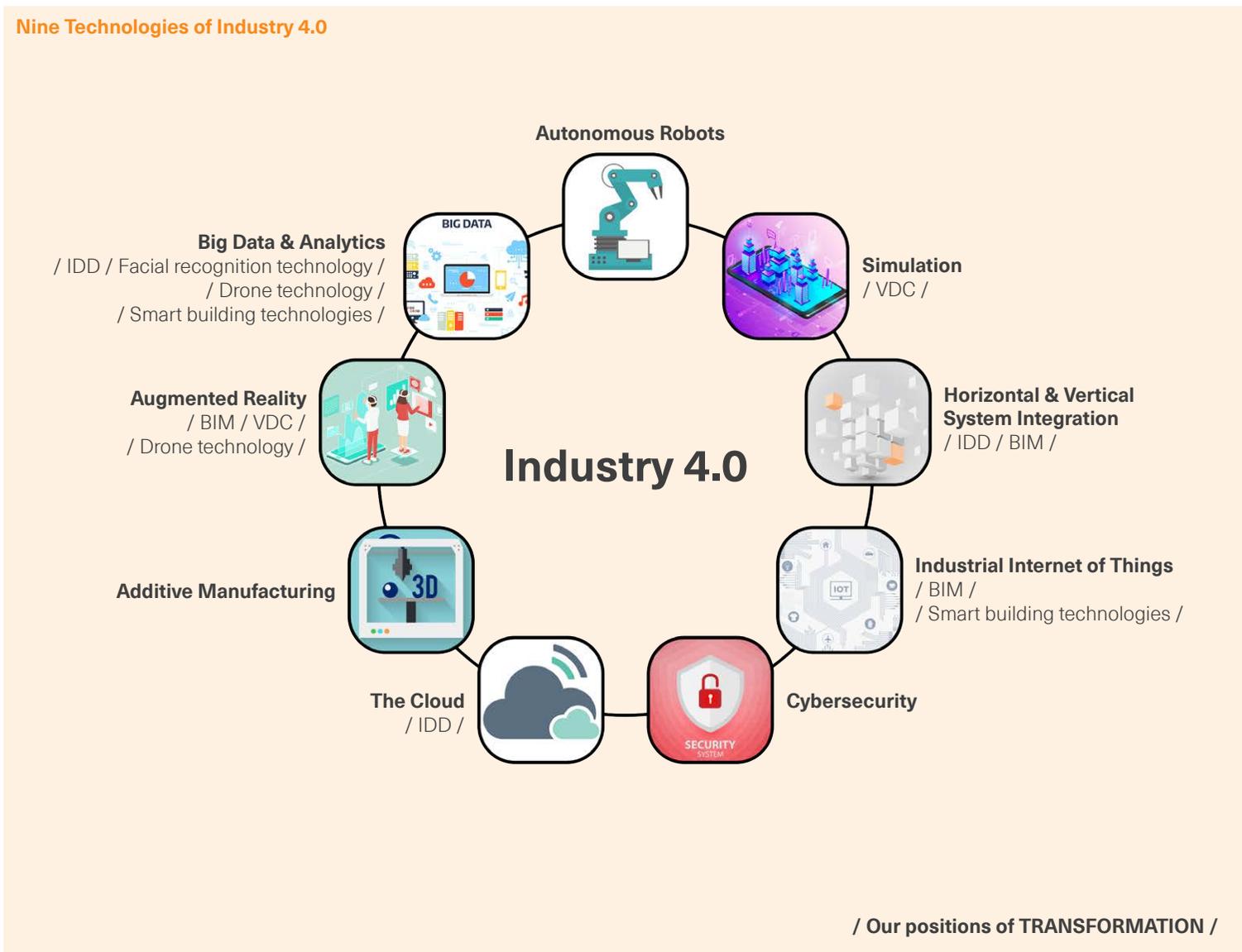
### 3.4 TRANSFORMATION INITIATIVES

With shorter business cycles due to disruptive technologies, we need to embrace transformation or be transformative where possible, in order to adapt to new megatrends and the prevailing global landscape that emerges over time. In general, two new megatrends that are having a profound effect on the building, construction and real estate industries are Industry 4.0 and climate change.

#### 3.4.1 Industry 4.0

According to Boston Consulting Group (“BCG”), Industry 4.0 – the fourth industrial revolution – is a transformation that makes it possible to gather and analyse data across machines, enabling faster, more flexible and more efficient processes to produce higher quality goods at reduced costs. This will increase productivity, shift economics, foster industrial growth and modify the profile of the workforce and ultimately change the competitiveness of corporations and regions.<sup>8</sup> BCG went on to name nine technologies that are transforming industrial production as shown here. We have overlaid our already implemented technologies in six of these areas.

For over two decades, we have been a pioneering force in Singapore’s industrial real estate sector, demonstrating pioneership and transformation in business model and activities including design-and-build (1996), design-build-and-lease (2003), advanced eco-sustainable buildings (2009) and integrated digital delivery (2017), among others.



8 “Embracing Industry 4.0 and Rediscovering Growth.” The Boston Consulting Group, [www.bcg.com/capabilities/operations/embracing-industry-4.0-rediscovering-growth.aspx](http://www.bcg.com/capabilities/operations/embracing-industry-4.0-rediscovering-growth.aspx). Accessed 28 August 2018.



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As the latest capability in our pioneering approach, integrated digital delivery (“IDD”) deploys digitalisation and cloud-based technologies, and transformative methodologies like BIM, VDC, and design for manufacturing and assembly (“DfMA”).

During FY2018, these methodologies were extensively adopted in ALICE’s design, construction, project management and delivery, further complemented by our use of drones for aerial imaging, site progress

and surveillance, and eventually ALICE’s marketing through the deployment of augmented and virtual reality technologies. ALICE was constructed virtually using BIM and VDC (before the actual construction) so that most issues could be anticipated during construction, operation and maintenance, and proactive solutions could be generated, thereby significantly boosting productivity. Another first in the industry, ALICE adopted large-scale prefabricated bathroom units (“PBUs”) using prefabricated, prefinished

volumetric construction, moving beyond the norm of small PBUs in the residential sector.

On the operational side, an ALICE mobile app designed as a collaboration between us and Habitap – a leading homegrown proptech firm – will be driven by big data analytics and Internet of Things (“IoT”) for tenant interface tied to ALICE’s smart building management system. The single and comprehensive backend system for operations and facilities management will greatly automate processes,

and reduce manual tasks and the number of facilities management staff required. Please review our Industry 4.0 Future Feature on ALICE as shown on page 29 of this report, a taste of how we are converging the ideals of the Singapore Government’s ITP and ITMs for three industries: construction, real estate and infocomm media. Simultaneously, we are using IDD and proven technologies to reshape advanced eco-sustainable industrial facilities for clients shifting into Industry 4.0 under their respective ITMs.

**Transformational Technologies Deployed Today**

	Development	Design-and-Build	Facilities Management and Building Operations
<b>Construction Industry Transformation</b>	Design for Manufacturing and Assembly (DfMA)	• Prefabricated prefinished volumetric construction (PPVC)	
	Green Building	• Green Mark Platinum	
	Integrated Digital Delivery (IDD)	• Building information modelling (BIM) to be used throughout multi-decade building lifecycle • Virtual design and construction (VDC)	
		• Drone technology integrated with BIM for aerial imaging, site progress and surveillance • Facial recognition technology used for site management and security	• Digital asset delivery and management
<b>Real Estate Industry Transformation</b>			Digital delivery and smart building technologies • Habitap – tenant management and facilities management through single portal • Drone technology combined with augmented reality to create line-of-sight views from marketable units before completion of construction
<b>Infocomm Media Industry Transformation</b>	Boustead Development Partnership awarded first JTC Corporation concept-and-price tender in Mediapolis	• ALICE promotes several cross-sector innovation initiatives • Use of immersive media (virtual reality and augmented reality) in VDC • Use of BIM-to-Field inspection method to carry out paper-free, timely site inspections	Infrastructure and support • Successful fast-growing ventures from JTC LaunchPad • Shared media facilities • Offers ecosystem to bring different sectors with solutions boosting productivity and catalysing digitalisation, helping to grow local digital champions • Habitap – smart community • Smart building solutions will use IoT and data analytics in future

Industry 4.0 Future Feature: ALICE

# ALICE

A T M E D I A P O L I S

## INTRODUCING THE FIRST TRULY SMART BUILDING IN ANY BUSINESS PARK IN SINGAPORE



### Solar Power

100 kWp photovoltaic system above green roof



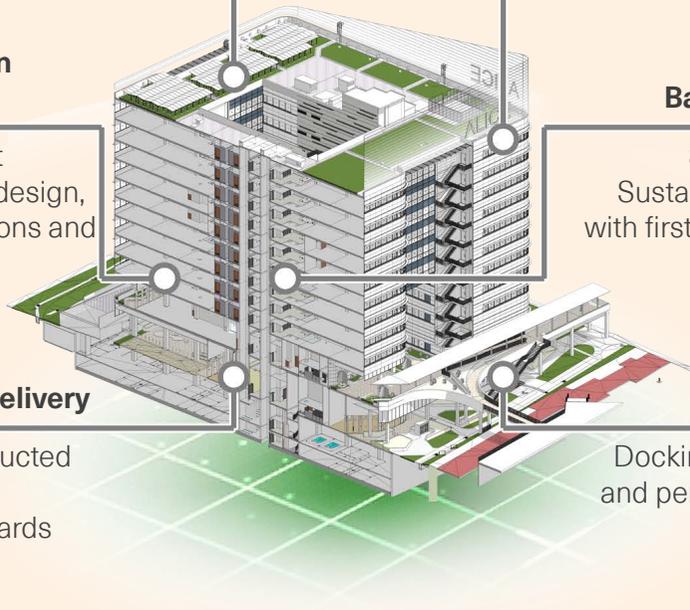
### Building Information Modelling (BIM)

BIM used throughout building lifecycle for design, construction, operations and maintenance



### Integrated Digital Delivery

Designed and constructed with Industry 4.0 transformation standards



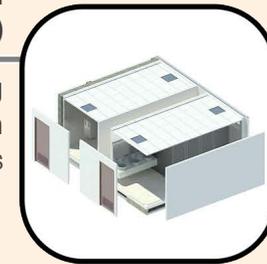
### Smart App

One-stop tenant services linked to smart building management system



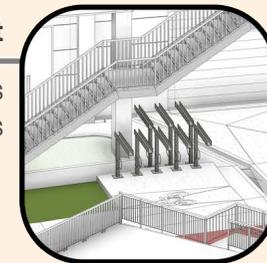
### Prefabricated Bathroom Units (PBUs)

80% of area built using Sustainable Building System with first ever large-scale PBUs



### Clean Transport

Docking stations for bicycles and personal mobility devices



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**3.4.2 Climate Change**

Opening for signatures on 22 April 2016 – Earth Day – at the UN Headquarters in New York, the Paris Agreement entered into force on 4 November 2016 and has been ratified by 180 out of 197 parties to the Convention to date. The Paris Agreement brings together all nations in an extremely important common goal to combat climate change and adapt to its effects, with the aim of keeping global temperature rise this century at well below 2°C above pre-industrial levels and pursue efforts to limit temperature increase even further to 1.5°C.<sup>9</sup> The Singapore Government ratified the Paris Agreement on 21 September 2016.

In line with this, we acknowledge that we have a shared responsibility as a responsible

corporate citizen to work towards uplifting our business in material ESG topics, especially in relation to the building, construction and real estate industries. Given the high energy intensity and emissions contributed by these industries, we aim to promote our eco-sustainable solutions as previously shown on pages 21 to 23 of this report. As explained earlier, we provide eco-sustainable solutions that have the potential to directly influence and reduce energy loss, emissions, pollution, and energy and water consumption in some of the most energy-intensive sectors, and work towards the extremely important common goal to combat climate change and protect our environment. More information on our performance, policies and processes in relation to climate change will be shared in

subsequent sections of this report.

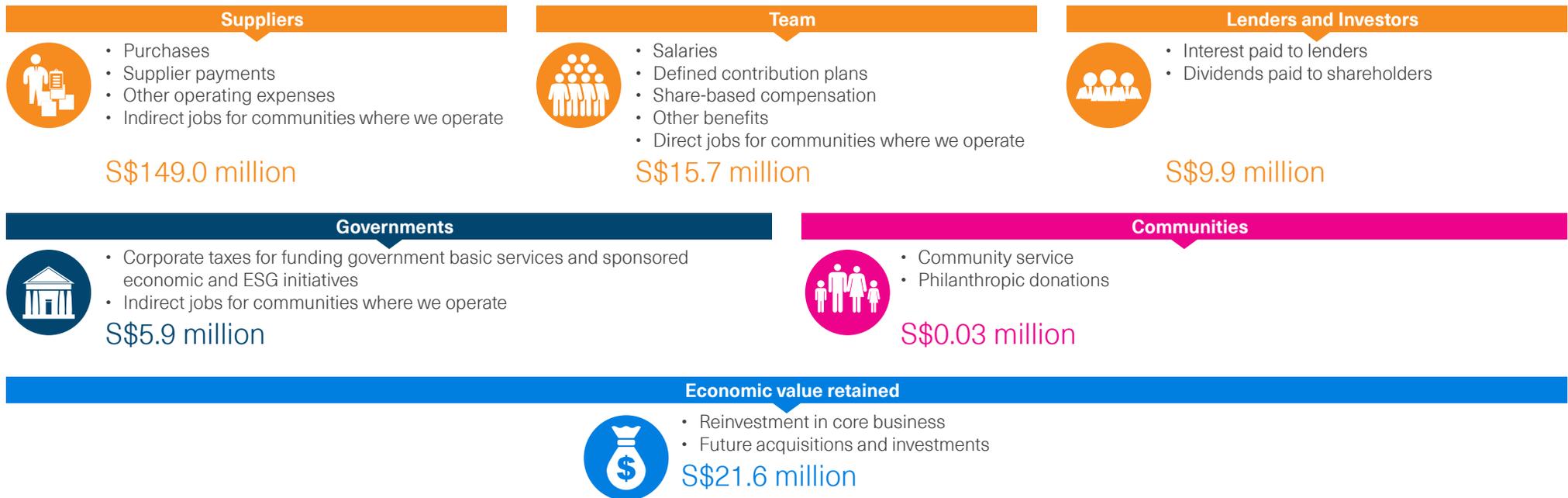
**3.5 FY2018 ECONOMIC VALUE GENERATION & DISTRIBUTION**

Our continuous profitability every year has enabled us to maintain our generation of sustainable value and progress to key stakeholders, and reinvest for long-term success and longevity.

In FY2018, we created S\$202.1 million in economic value, which was distributed to key stakeholders as shown here.

We have built a fundamentally-sound balance sheet, reinvested in business expansions and our growing leasehold portfolio and continue to have the capability to make new acquisitions

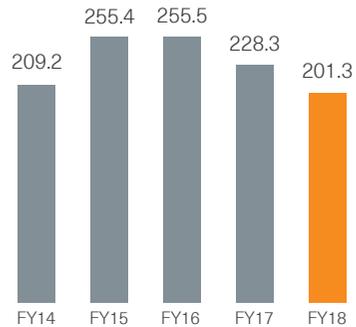
and investments. Wholly-owned properties under our leasehold portfolio contribute relatively stable leasing revenue and profit that has gradually grown over time and provides a base to our financial performance, along with complementing our design-and-build activities. In the future, we expect jointly-owned properties under our investments in associated companies and joint ventures to grow as well and contribute to leasing profit. FY2017 was our first complete financial year following our listing on the SGX Mainboard in April 2015 and also marked our inaugural dividend payments to shareholders. In FY2018, we made dividend payments to shareholders for the second consecutive year. Our five-year financial performance summary is shown on page 31 of this report.



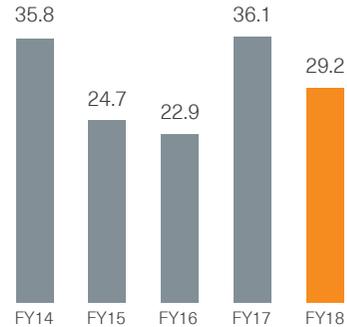
9 "What is the Paris Agreement?" United Nations, UN Framework Convention on Climate Change, unfccc.int/process-and-meetings/the-paris-agreement/what-is-the-paris-agreement. Accessed on 28 August 2018.

5-Year Financial Performance Summary

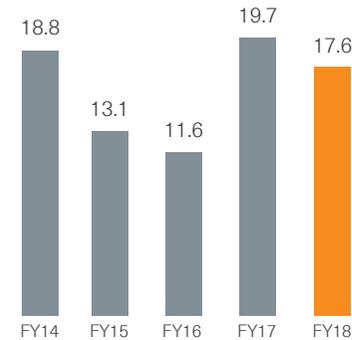
Group Revenue (S\$m)



Group Net Profit (S\$m)



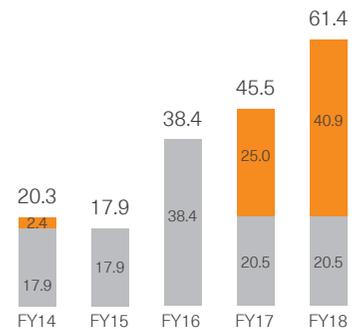
Operating Profit Over Turnover (%)



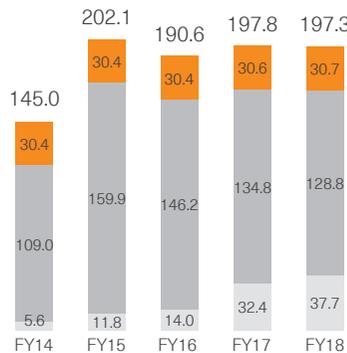
Return on Equity (%)



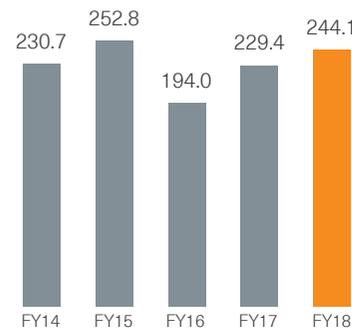
Net Cash and Available-for-Sale Financial Assets (S\$m)



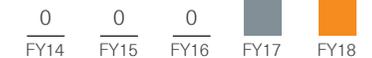
Properties Held for Sale, Investment Properties and Investments in Associated Companies and Joint Ventures (S\$m)



Equity Attributable to Equity Holders of the Company (S\$m)



Dividend Per Share (¢)



Available-for-sale financial assets | Net cash

Investments in an associated company and joint ventures | Investment properties | Properties held for sale



## SECTION 4 – DEVELOPING OUR BEST ASSET – BOUSTEAD PROJECTS TEAM

### A PEOPLE-TO-PEOPLE BUSINESS

An organisation is only as good as its people. At Boustead Projects, this is absolutely true.

We are a knowledge-based, information-driven, business-to-business and people-to-people corporation, where achieving our mission, vision and long-term objectives are highly dependent on the values, conduct and performance of our best asset – our team.

Our team is expected to demonstrate our five human-centric corporate values – integrity, professionalism, perseverance, flexibility and passion – in interactions with key stakeholders. Developing a high performance team capable of delivering our engineered products and services, primarily industrial real estate solutions (“solutions”) aligned with our fundamental principles and strong human-centric corporate values, strengthens our trusted partnerships with client teams at many of the world’s best corporations, helping them to build their next stage of growth, derive true value from their sizeable investments and deliver economic value and environmental, social and governance (“ESG”) benefits to their own stakeholders, while keeping us at the forefront of the industrial real estate sector.

A client team’s project journey together with us typically lasts for over one year and is made up of thousands of interactions between key stakeholders, especially between our team and clients, strategic partners, suppliers, lenders, government agencies and regulators, all within a single project. As our business ambassadors, our team is the first ranking enabler of

developing strong relationships with key stakeholders and the main contributor to our long-term success and longevity. All systems, policies and processes (together “system enablers”) are there to support a high performance team capable of meeting the expectations of key stakeholders.

Being rooted in the deep heritage of the Boustead Group, fundamental principles have been passed down from generation to generation that continue to guide our daily actions and decisions today. We believe in acting honourably in the way that we conduct business and staying true to our strong human-centric corporate values. We have zero tolerance for accidents, bribery, corruption, fraud and violence. We do not condone the use of child labour or forced labour, whether at project sites under our direct control or project sites under our subcontractors and suppliers (together “suppliers”)’s control. We believe in providing our team with fair employment and human rights.

This section covers our Code of Conduct, Team Development Programme, positive work environment and supply chain management which are mainly derived from the combined depth of three capitals – intellectual, human, and social and relationship – and ultimately deliver positive net effects for all six capitals.

### 4.1 CODE OF CONDUCT

We are highly committed to building a climate of fairness, honesty, trust and sincerity with key stakeholders, beginning with our team’s honourable conduct. Our Code of Conduct (“COC”) sets the foundation for our daily

actions and decisions, and helps our team to adhere to the highest standards of honourable conduct.

Our team members are inducted in, updated on and expected to adhere to our COC as a condition of employment, with orientation briefings when new team members join, followed by annual acknowledgements and reviews of our COC. Policies on anti-bribery and anti-corruption (“ABAC”), fair dealing and competition, proper use of corporate positions and resources, confidentiality and privacy obligations, insider trading and whistle-blowing are covered in our COC, among other guidance areas on honourable conduct as shown here.

### 4.1.1 ABAC

We have zero tolerance for bribery and corruption. We expect our team and all third parties whom we have business dealings with to comply with Singapore’s Prevention of Corruption Act (Chapter 241) and all applicable ABAC laws and regulations in countries where we operate. Our team members are bound by our ABAC Policy regardless of whether they are employed in Singapore, stationed overseas or employed outside of Singapore. We may also be required to comply with applicable foreign ABAC laws and regulations imposed in business dealings with multinational clients who are headquartered in a foreign country where we have no operational presence.

### Code of Conduct Coverage & Data Protection Governance Framework Policies

COC Coverage	Data Protection Governance Framework Policies Coverage
<ul style="list-style-type: none"> <li>• Legal compliance</li> <li>• Business integrity</li> <li>• ABAC</li> <li>• Fair dealing and competition</li> <li>• Proper use of corporate positions and resources</li> <li>• Gifts and entertainment</li> <li>• Political and charitable donations</li> <li>• Confidentiality and privacy obligations</li> <li>• Conflict of interest</li> <li>• Insider trading</li> <li>• Whistle-blowing</li> </ul>	<ul style="list-style-type: none"> <li>• IT</li> <li>• Information security</li> <li>• External data protection</li> <li>• Internal data protection</li> <li>• Document retention</li> <li>• Third-party outsourcing</li> </ul>
Available Feedback Channels	
<ul style="list-style-type: none"> <li>• Whistle-blowing mechanism</li> </ul>	<ul style="list-style-type: none"> <li>• Data Protection Committee and Data Protection Officers</li> </ul>



#### 4.1.2 Fair Dealing & Competition

We engage only in fair and vigorous competition. We expect our team members to fairly deal and interact with fellow team members, clients and competitors, and not to take unfair advantage of all third parties whom we have business dealings with. This includes avoiding abuse of confidential or privileged information, concealment, illegal conduct, manipulation, misrepresentation of material facts, undue influence or any other unfair dealing practices.

#### 4.1.3 Proper Use of Corporate Positions & Resources

We expect our team members to apply and use corporate positions and resources in a responsible manner, which broadly includes duties to act in good faith and in our best interests as a whole.

#### 4.1.4 Confidentiality, Data Protection & Privacy

Information is a valuable asset, particularly in our knowledge-based, information-driven business model. In the ordinary course of business, we may receive clients' confidential data, in which case we may be subject to various non-disclosure agreements and confidentiality clauses. Clients expect us to abide by confidentiality obligations, exposing us to a wide range of risks from non-compliance. In addition, we have to

comply with Singapore's Personal Data Protection Act 2012 ("PDPA") that requires organisations that collect, use or disclose personal data to abide by PDPA requirements, again exposing us to a wide range of risks from non-compliance.

We are highly committed to adhering with all confidentiality obligations, and applicable data protection and privacy laws and regulations in countries where we operate. Our data protection and IT system enablers ensure that information assets are properly governed, managed and secured both in digital and physical environments. This allows us to effectively comply with confidentiality, data protection and privacy obligations over the long-term.

In data protection, we have implemented a Data Protection Governance Framework ("DPG Framework") that covers governance principles, structure and system enablers. We opted for a governance structure with centralised formulation of system enablers and decentralised implementation of system enablers. Our Data Protection Committee ("DPC") comprising our senior management team, department heads and key executives has overall responsibility for the effective implementation of system enablers, while appointed Data Protection Officers ("DPOs") direct and coordinate activities. Our DPOs

also act as the external interface with the general public. Other than our DPC and DPOs, team members are also briefed and trained to understand the PDPA and our DPG Framework including any department data and information flows that may require protection. Policies for IT, information security, external data protection, internal data protection, document retention and third-party outsourcing are covered in our DPG Framework and reviewed by our senior management team and DPC at least once every two years.

During FY2018, we had no substantiated complaints on breaches of client privacy. Nonetheless, in once instance, we internally identified a supplier that was in minor non-compliance in end-user client confidentiality and promptly notified the supplier to remove any references to the specific end-user client on their website, which was immediately effected.

#### 4.1.5 Insider Trading

We expect our team members with access to price-sensitive information to comply with Singapore's Securities & Futures Act (Chapter 289), and laws and regulations against insider trading. Team members with access to price-sensitive information are not allowed to trade in Boustead Projects' securities on short-term considerations and

in the two weeks and one month before quarterly and full-year financial results announcements respectively, ending only after release of relevant announcements. Team members are reminded to comply with insider trading laws and regulations, and trading black-out periods on a quarterly basis.

#### 4.1.6 Whistle-Blowing Mechanism

Implemented in 2008, our whistle-blowing mechanism allows our team members and all third parties to raise and report in good faith and in confidence, any concerns about possible misconduct in financial reporting matters or suspected bribery, corruption, fraud and dishonourable conduct. Procedures are in place to ensure that whistle-blowers are protected. More information on our Whistle-Blowing Policy is available within the *Boustead Projects FY2018 Annual Report* on page 58.

Violations of our COC will result in appropriate disciplinary actions being taken against the violating team member including potential dismissal and referral to legal authorities for serious violations that may be illegal. A compliance plan sets forth how our COC is to be implemented and monitored including how violations are detected, reported and investigated, as well as follow-up actions to be taken.

### 4.2 TEAM DEVELOPMENT PROGRAMME

The purpose of our Team Development Programme (“TDP”) is to attract, develop, motivate and retain team members with values, attitudes, skillsets and work practices aligned with our mission, vision, strong human-centric corporate values and high performance team culture. Our TDP is structured to create a work environment that promotes creativity, excitement and growth, and make team members feel cared for, challenged, empowered and respected. Our TDP sets out human resource management (“HRM”) system enablers, commitments, targets and responsibilities for our team, with implementation responsibility belonging to our Group Human Resource Team (“Group HR Team”) headed by our Deputy Director of Human Resources, a member of our management team. Our Group HR Team provides HRM leadership and support to all subsidiaries regionally.

We have always embraced diversity in our team, a trait we inherited from the Boustead Group. This diversity has not just been in terms of gender balance but also in age, race, religion, marital status, family responsibilities, work experience and nationality, with a multi-cultural and multi-faceted team mainly from Singapore and other parts of South East Asia.

During FY2018, our overall team size increased by 16 team members on a net basis to 141 team members, equating to 13% growth in overall team size. At the end of FY2018, our team deployment and team profile breakdown are as shown here.

#### 4.2.1 Talent Attraction

As part of our TDP, we are highly committed to complying with Singapore’s Employment

Act and all applicable employment laws and regulations in countries where we operate. We are further committed to fair, responsible and progressive employment practices and strive to adopt the latest HRM best practices, which is essential to attracting the right talent to contribute to our long-term success and longevity. Our team members are considered to be employed by us only within the context and terms of their employment contracts.

#### a) The Employers’ Pledge of Fair Employment Practices

Singapore’s Tripartite Alliance for Fair & Progressive Employment Practices (“TAFEP”) promotes the adoption of fair, responsible and progressive employment practices among employers, employees and the general public. Boustead Services Pte Ltd (“Boustead Services”), the management services arm of the Boustead Group under Boustead Singapore Limited is one of over 5,000 signatories to the TAFEP’s Employers’ Pledge

#### Team Development Programme Policies

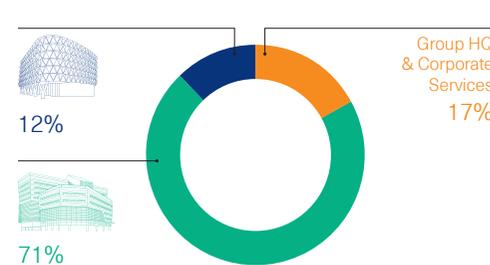
##### Policies Coverage

- Fairness and diversity
- Freedom of association
- Human rights
- Learning and development
- Leave
- Promotion
- Remuneration
- Restricted Share Plan 2016
- Retirement and re-employment
- Staff engagement
- Staff transfer
- Staff welfare and benefits
- Work environment

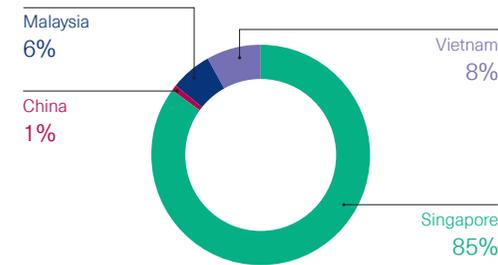
### FY2018 Team Deployment



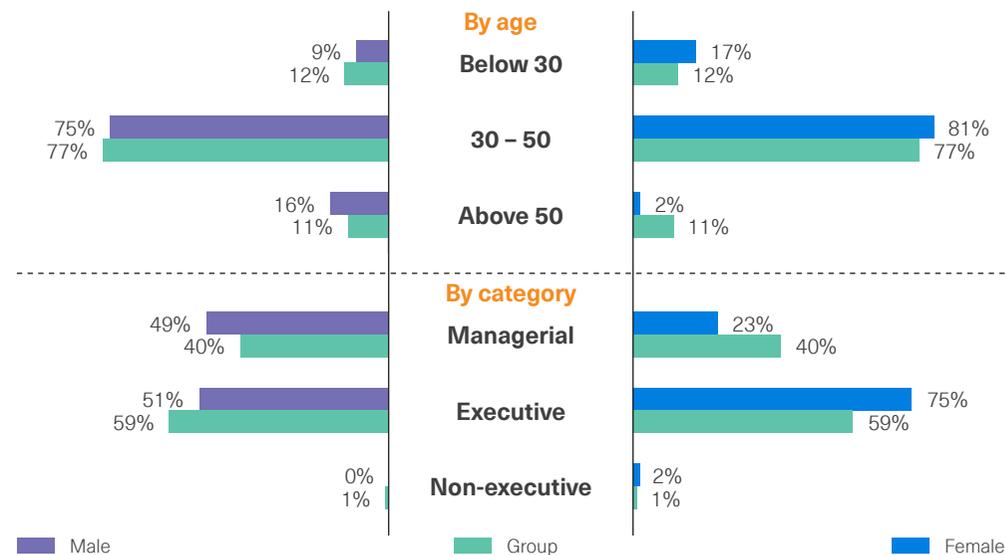
#### By segment



#### By country



### FY2018 Team Profile





of Fair Employment Practices (“Pledge”)<sup>1</sup> and is also a member of the Singapore National Employers Federation. Through Boustead Services, we are indirectly a party to the Pledge, adhering to the fair employment practices adopted by the Boustead Group.

Under the Pledge, we have committed to work towards fair employment practices including:

- Recruiting and selecting employees on the basis of merit regardless of age, race, gender, religion, marital status and family responsibilities or disability;
- Treating employees fairly and with respect, and implementing progressive HRM systems;
- Providing employees with equal opportunity to be considered for training and development based on their strengths and needs to help them achieve their full potential;
- Rewarding employees fairly based on their ability, performance, contribution and experience; and
- Complying with the labour laws and abiding by the Tripartite Guidelines on Fair Employment Practices.

Apart from the Pledge, we promote gender equality at the workplace. In terms of talent attraction, this means that we offer the same basic remuneration package to all interviewing job candidates for a specific role and scope, regardless of gender or whether a job candidate has served Singapore’s

mandatory national service.

#### **b) Other Talent Attraction Practices**

We generally advertise available positions both externally and internally, although recruitment for certain sensitive key positions may be conducted anonymously through professional recruitment agencies. Where possible, we seek to employ citizens from countries where we operate. Since 2014, we have also adhered to Singapore’s Ministry of Manpower (“MOM”)’s Fair Consideration Framework that requires available positions – unless exempted – to be advertised on the national Jobs Bank for at least 14 days, thereby giving citizens fair consideration for all job opportunities before hiring foreign professionals to fill these positions.<sup>2</sup>

Adding to our potential talent pool, we are one of 10 sponsoring organisations within the engineering industry participating in the Singapore-Industry Scholarship (“SgIS”) Programme.<sup>3</sup> Launched in 2012 and co-funded by both the Singapore Government and private sector organisations, through Boustead Singapore Limited, we are a founding private sector organisation within the SgIS, a multi-industry undergraduate scholarship programme that aims to groom future Singaporean industry leaders in strategic sectors that are critical for the country’s development. To date, we have given scholarships to three individuals, all of whom have since completed their local

university degree programmes and joined us in full-time capacities.

As mentioned earlier, during FY2018, we experienced 13% growth in overall team size, in contrast to Singapore’s average employment level declines at both the comparable industries and national levels, which were down 7.7% and 0.1% respectively in 2017.<sup>4</sup> Our growth in overall team size was led by the hiring of 67 new team members equating to a 50% overall team hires rate. Most new team members joined our design-and-build and real estate development teams in Singapore and Vietnam, where business activities have been steadily increasing. The team hires breakdown is shown on page 36 of this report.

#### **4.2.2 Talent Development, Management & Retention**

As part of our TDP, we embrace a holistic talent development, management and retention strategy.

##### **a) Conditions of Employment**

We believe in treating our team fairly, with respect and an entitlement to human rights. We offer conditions of employment and benefits that are in line with applicable employment laws and regulations, and prevailing market practices in countries where we operate including:

- Reasonable break times, rest days and working hours, with overtime pay for

eligible team members;

- Paid leave entitlements which depending on contractual terms, and applicable laws and regulations as stipulated by Singapore’s MOM or other foreign government labour agencies include adoption leave, annual leave, childcare leave, compassionate leave, examination leave, marriage leave, maternity leave, national service leave, paternity leave, shared parental leave, sick and hospitalisation leave and unpaid infant care leave. We may also authorise unpaid leave depending on the reasons provided and subject to work arrangements;
- Defined contribution plans in line with applicable laws and regulations as stipulated by Singapore’s Central Provident Fund or other foreign government pension agencies;
- Group insurance plans covering business travel, hospitalisation and surgery, personal accidents, term life insurance and workmen compensation; and
- Group medical plans and flexible healthcare benefits.

##### **b) Fair Remuneration**

We have pledged to reward our team members fairly and equitably based on their ability, performance, contribution and experience. We offer fair and competitive remuneration packages, which may include overtime pay and annual wage supplements for eligible team members according to contractual terms.

1 “Meet Our Pledge Signers.” Tripartite Alliance for Fair & Progressive Employment Practices, [www.taefep.sg/pledge-signers](http://www.taefep.sg/pledge-signers). Accessed 28 August 2018.

2 “Fair Consideration Framework.” Singapore Government, Ministry of Manpower, [www.mom.gov.sg/employment-practices/fair-consideration-framework](http://www.mom.gov.sg/employment-practices/fair-consideration-framework). Accessed 28 August 2018.

3 “Engineering.” Singapore-Industry Scholarship, [www.singaporeindustryscholarship.sg/industries/engineering](http://www.singaporeindustryscholarship.sg/industries/engineering). Accessed 28 August 2018.

4 “C.1 Employment by Industry, 2007-2017 (December).” *Singapore Yearbook of Manpower Statistics 2018*, Singapore Government, Ministry of Manpower, Manpower Research & Statistics Department, 2018, pages C4 and C5, [stats.mom.gov.sg/pages/singapore-yearbook-of-manpower-statistics-2018.aspx](http://stats.mom.gov.sg/pages/singapore-yearbook-of-manpower-statistics-2018.aspx). Accessed 28 August 2018.



On top of basic remuneration packages, team members also receive our payments to defined contribution plans. Salary benchmarking exercises are also conducted to ensure that remuneration packages are equitable with what the industry offers for similar positions.

There is a profit sharing bonus scheme for eligible full-time team members that is pegged to a predetermined formula based on our overall and respective subsidiaries' financial performance. Individual bonus payments and annual salary increments are determined only after each team member's performance appraisal ("appraisal") is objectively assessed by our senior management team. In FY2018, we distributed a total of S\$15.7 million in economic value to our team.

There is also a Boustead Projects Restricted Share Plan 2016 ("RSP") that incentivises key team members to work towards department and individual key performance indicators ("KPIs") and helps to align their interests with our long-term success. Team members who are selected to participate under the RSP and subsequently meet their KPIs for a specific financial year may be eligible to receive Boustead Projects' shares, which are vested and issued in tranches over four years. More information on the RSP and earlier restricted share plans is available in the *Boustead Projects FY2018 Annual Report* on pages 44, 53, 54, 84 and 85.

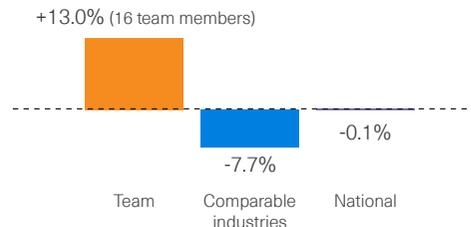
**c) Performance Appraisal**

As part of our TDP, full-time team members are entitled to an appraisal at least once a year as part of our Performance Management System ("PMS"), with the exception of team members who are re-employed beyond the statutory retirement age, have resigned, are serving notice or under probation during the relevant appraisal period. Team members who are under probation will receive a confirmation appraisal at the time of confirmation. Team members are evaluated on their achievement of quantitative department and individual KPIs and qualitative skillset competencies relevant to their respective roles and scope, which are defined and set at the beginning of the period under review.

Team members who consistently outperform are offered opportunities to take up higher challenges, while team members who underperform are assisted in identifying and addressing the root causes behind their underperformance. Our PMS allows us to identify team members with high leadership potential, feeding into our Succession Planning System ("SPS").

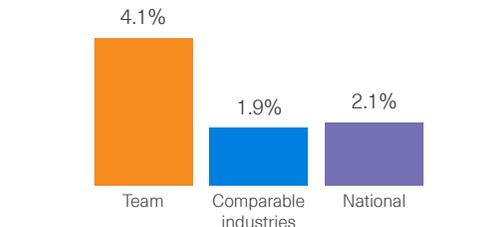
Whenever possible, we promote team members internally into available senior positions. In addition, our Team Recognition Programme includes long service awards and specific achievement awards given to recognise project teams and individual team members for excellent performance in specific areas.

**FY2018 Team Net Hiring Growth Rate vs Industry/National Levels**



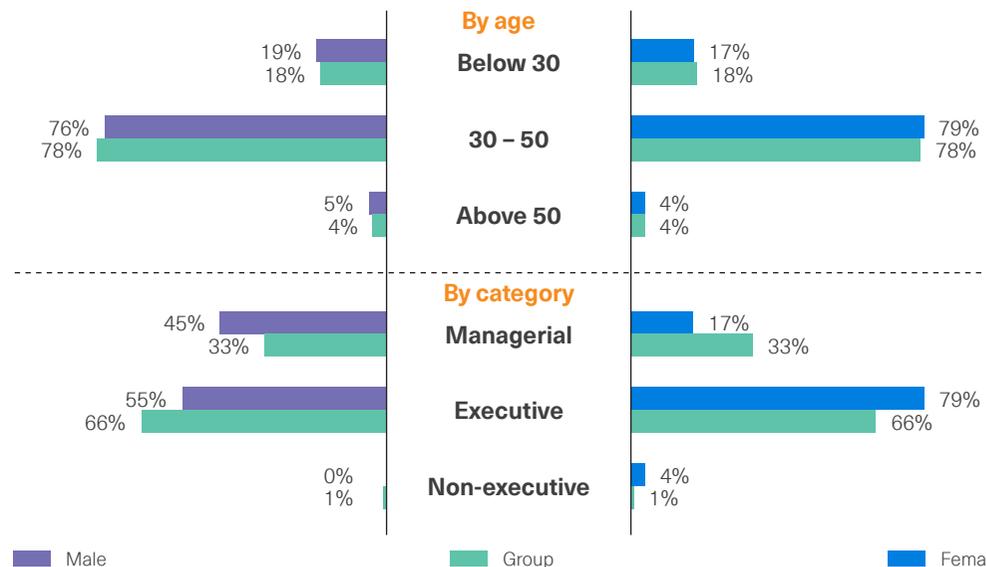
Note: Calculations are based on MOM's published statistics for 2017, with the blended weighted industries average based on Singapore's construction and real estate sectors.

**FY2018 Team Monthly Hiring Rate vs Industry/National Levels**



Note: Calculations are based on MOM's published statistics for 2017, with the blended weighted industries average based on Singapore's construction and real estate sectors.

**FY2018 Team Hires Breakdown**



During FY2018, 83% of our team received appraisals, the breakdown as shown here.

**d) Communication & Engagement**

We encourage open communication and engagement. With an open door policy, our team members may provide feedback or raise concerns with direct supervisors and our senior management team. Appraisals also provide team members with an opportunity to provide and receive feedback on their performance and any other important matters.

As part of our communication and engagement, we organise townhall sessions on a bi-annual basis, serving as an organisation-wide communication session between our senior management team and team members. Townhall sessions are facilitated by external trainers and include team-building activities to promote cohesion and teamwork.

We have procedures to address and as much as possible, satisfactorily resolve team members' grievances. This is complemented by our whistle-blowing mechanism.

**e) Career Development & Training Opportunities**

We have pledged to provide our team members with equal opportunity to be considered for career development and training based on their strengths and needs, and to help them to achieve their full potential. We aim to nurture and professionally develop team members by investing in their career development and training, offering them growth opportunities through promotions, job rotations and overseas assignments. Team members can also upgrade skillsets and are generally

encouraged to undergo professional training that may help their performance. This includes sponsoring or subsidising the cost of approved career development and training courses, and may also include granting paid leave to attend these courses. We also have an Education Assistance Scheme under which we may sponsor team members who desire to attend job-related courses on their own initiative and for personal development. While we identify the career development and training needs of team members at least once a year during appraisals, we also assess such needs on an ad-hoc basis.

As we continue to pioneer new solutions and make investments in procuring and implementing transformational technologies, methodologies and system enablers, we have also made necessary investments in training team members so that they can realise the full benefits of these transformational technologies, some of which are shown here.

With technological advancements accelerating the pace of disruption and shortening business cycles, we believe that investments in training need to be adaptable, flexible and timely.

During FY2018, our team underwent a total of 1,141 training hours, the breakdown as shown here. Training was emphasised across our team with no differentiation by gender and only minor variance between managerial and executive team members.

**f) Health & Wellness**

Other than earlier mentioned conditions of employment and benefits, we have also implemented team wellness programmes including sponsorships and subsidies for

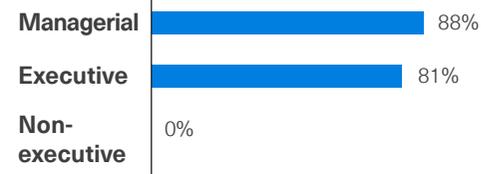
**FY2018 Performance Appraisals**



**% receiving an appraisal by gender**



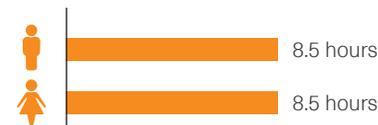
**% receiving an appraisal by category**



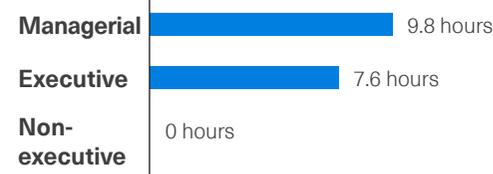
**FY2018 Training Performance**



**Average training hours by gender**



**Average training hours by category**



**Training for Transformational Technologies**

- Green building
- Building information modelling
- Design for manufacturing and assembly
- Augmented and virtual reality
- Drone technology
- Cloud-based IT systems to manage and optimise collaboration and workflows



selected social, sports and recreational activities, health screening sessions and lunchtime health talk sessions. In addition, other types of lunchtime talk sessions on various topics of interest have been organised on a regular basis.

During FY2018, our team members took a total of 322 days of medical leave due to sickness or hospitalisation, the breakdown as shown here. However, none of this medical leave was in relation to workplace safety and health incidents, accidents or diseases.

**g) Employment Beyond Statutory Retirement Age**

We may offer our team members re-employment beyond Singapore’s statutory retirement age of 62 years, as guided by applicable laws and regulations, and our policies on retirement and re-employment. Any re-employment and extension of re-employment depends on whether a retiring team member’s services are required, the team member is medically certified to be fit for employment and is able to perform at an acceptable level. In general, we try to provide re-employment whenever possible, given that retiring team members have decades of experience and can still be highly productive and motivated.

During FY2018, we had no team members under re-employment beyond the statutory retirement age.

**h) Succession Planning**

We recognise that having adequate succession planning is a key priority and essential to our business continuity. We have a SPS for our senior management team and key executives. Core leadership

positions are covered by deputies or experienced potential replacements, who are identified through our PMS as being team members with high leadership potential to be developed and nurtured into next-generation leaders.

At the end of FY2018, 100% of our senior management team and key executive positions – a total of 10 team members – were covered by a named deputy or designated successor. Our Managing Director also had at least two named deputies or designated successors.

**i) Termination of Employment & Turnover**

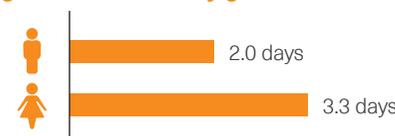
Our team members are entitled to compensation according to severance clauses in their employment contracts if we terminate their services. Under all circumstances, we seek to ensure that any termination of employment is conducted in a fair and lawful manner. We have also implemented procedures to ensure that affected team members are properly compensated and may also receive job placements or other forms of assistance in addition to monetary compensation if we retrench them.

As with any corporation, we have not been spared from natural attrition and turnover of team members. During FY2018, we had turnover of 49 team members equating to a 36% overall team turnover rate. However, in excess of 42% of overall team turnover was due to significant rightsizing of our Malaysia operations as market conditions there remained weak. Excluding the effects of Malaysia, our overall team turnover rate would have been within market norms. The team turnover breakdown is shown here.

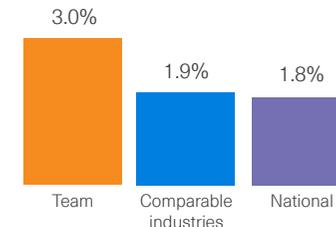
**FY2018 Absentee Performance**



**Average medical leave by gender**

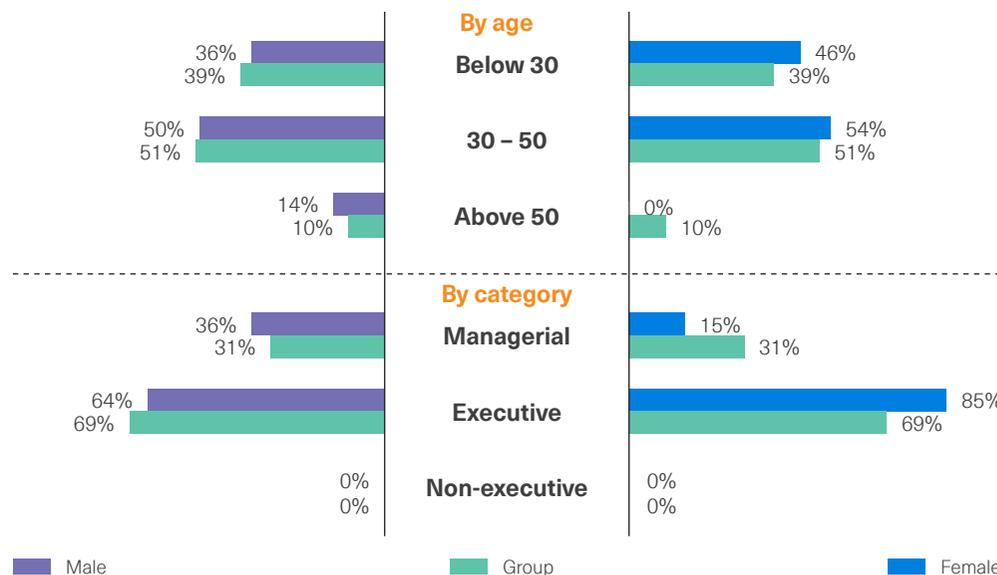


**FY2018 Team Monthly Turnover Rate vs Industry/National Resignation Levels**



Note: Calculations are based on MOM’s published statistics for 2017, with the blended weighted industries average based on Singapore’s construction and real estate sectors.

**FY2018 Team Turnover Breakdown**





### 4.3 CREATING A POSITIVE WORK ENVIRONMENT

We are highly committed to creating a positive work environment, where our team, clients, suppliers and other key stakeholders feel comfortable, safe and secure within and around our operations regionally. Our positive work environment is designed and organised to be conducive for delivering our solutions in a productive manner and facilitating interactions with key stakeholders, along with meeting applicable laws and regulations in countries where we operate.

#### 4.3.1 Workplace Health & Safety Above All

Of utmost importance, we care deeply about safeguarding the wellbeing of our team, beginning with our workplace safety and health (“WSH”) management performance and system enablers that apply to our team and all key stakeholders who are affected by our operations regionally.

From a WSH standpoint, the United Nations’ International Labour Organization has estimated that there are 2.78 million deaths every year due to occupational accidents and work-related diseases. In addition, there are 374 million non-fatal occupational accidents and work-related diseases, many which result in extended work absences. The human cost of this daily adversity is vast with the economic burden of poor WSH practices costing an estimated 3.94% of global gross domestic product each year.<sup>5</sup>

In Singapore, although incidences of occupational accidents, fatalities and diseases are much lower than the global average, the local construction industry

remains a major contributor to such incidences, with the industry having the highest number of fatalities in 2017.

As part of our WSH Management System (“WSHMS”), we first embarked on SS506 Part 1:2009 and OHSAS 18001:2007 certifications in 2006 and have had a WSHMS in place ever since. Shortly after the end of FY2018 in April 2018, our major design-and-build subsidiary in Singapore, Boustead Projects E&C Pte Ltd (“BP E&C”) received recertification under both standards. Our WSHMS sets out WSH management system enablers, commitments, targets and responsibilities for our team, with overriding responsibility belonging to our Environmental, Health and Safety (“EHS”) Team headed by our EHS Director, a member of our senior management team. Our EHS Team manages all aspects of our WSHMS which is both externally and internally audited, and ensures WSH management performance at all workplaces and project sites under our control on a daily basis.

We have zero tolerance for accidents and are committed to saving lives through safe work. This is encapsulated in our safety slogan ‘Safe Work, Save Lives’ which has become a daily mantra among team members and suppliers who undertake work at our project sites. Although we outsource construction trades to suppliers and do not directly hire any construction workers, we take responsibility to ensure their health and safety at our project sites and the general public’s health and safety in the communities around our project sites.

Through our Total WSH Policy, we are committed to:

- Preventing injury and ill health for our team, workers and key stakeholders at our project sites;
- Complying with applicable legal requirements and with other requirements relating to WSH hazards;
- Creating better health and wellbeing for our team, workers and key stakeholders at our workplaces;
- Providing sufficient and appropriate resources to carry out the implementation of our WSHMS to ensure sustainable WSH standards for our team, workers and stakeholders at our project sites; and
- Continual improvement in WSH management and performance.

Our WSHMS is supported by investments in technologies. Internally, we developed an Integrated Boustead Online Safety System (“iBOSS”), which provides us with a centralised platform to manage all permit-to-work applications and safety induction course bookings. Through digitisation, iBOSS has replaced time-consuming administrative processes and provides us with data governance, traceability and tracking capabilities in documenting administrative and safety records. The current iteration of iBOSS also includes a biometric facial recognition system used to administer project site access and security.

The tone for WSH performance is set at the top, where our senior management team ‘walks the talk’ when it comes to prioritising WSH issues and system enablers. In terms of engagement, a monthly safety management meeting is conducted with our senior management team, EHS Team, all WSH professionals and project site teams.

Weekly safety management meetings are also conducted with our EHS Team engaging with respective project site safety committees and WSH professionals on safety inspections. WSH professionals also carry out daily project site toolbox talks and safety inspections with the safety supervisors from all suppliers.

Specific measurable WSH targets are set under our WSHMS, which are tracked and reviewed at the very minimum during monthly safety management meetings. While our perpetual WSH target is to achieve zero accidents or safety incidents at all workplaces and project sites, we also set short-term WSH targets to address adverse safety trends. Our current short-term WSH targets include eliminating incidents of personnel or objects falling from height.

#### 4.3.2 Continuous WSH Education & Training

No where else do we emphasise continuous education and training more than in WSH education and training, in order to immerse our team and key stakeholders in the right WSH culture and improve our WSH performance. Our training programmes include a Centralised Safety & Quality Induction Training Course conducted for team members, suppliers and visitors to our project sites, and an Enhanced Safety Induction Course in partnership with external training centres to provide safety training in relation to working at heights awareness for team members and suppliers.

Our EHS Team, WSH professionals and project site teams have the responsibility of ensuring that suppliers conduct appropriate in-house safety training for their workers

5 “Safety and Health at Work.” United Nations, International Labour Organization, [www.ilo.org/global/topics/safety-and-health-at-work/lang-en/index.htm](http://www.ilo.org/global/topics/safety-and-health-at-work/lang-en/index.htm). Accessed 28 August 2018.



before deploying them to our project sites and that such training is properly documented. We also have a Safety Awareness Promotion Programme that gives widespread recognition to the efforts of WSH professionals, safety supervisors, suppliers and workers in achieving WSH milestones.

Continuing our WSH performance in FY2018, we had no reportable accidents or safety incidents at our administrative workplaces, and zero fatalities and occupational disease incidents within our team and suppliers' workers across our operations regionally. Our accident frequency rate ("AFR") and accident severity rate ("ASR") at project sites

in Singapore also compared favourably with Singapore's average AFR and ASR at both the comparable industries and national levels.<sup>6</sup>

**4.3.3 bizSAFE Mentorship**

In 2008, we initiated our participation in Singapore's Workplace Safety & Health Council ("WSHC")'s bizSAFE Programme by becoming a bizSAFE Partner. In 2009, we achieved the bizSAFE Star, the highest qualification that can be attained in recognition of a corporation's WSH management programmes.

By 2011, we opted to take a national leadership role in advocating and promoting

excellent WSH practices in the construction industry by becoming a bizSAFE Mentor; currently one of only nine bizSAFE Mentors in Singapore and the only one among our direct competitors.<sup>7</sup> bizSAFE Mentors are corporations that have excellent WSH performance and track records, and are qualified and invited only by the WSHC to take this national leadership role. bizSAFE Mentors incorporate WSH as an integral part of their business model that benefits the wider community and also actively work with the WSHC to promote the WSH agenda on various industry and national platforms. As a bizSAFE Mentor, we have been one of the key contributors in helping

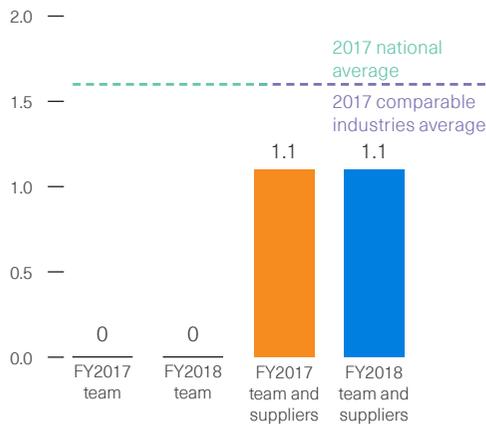
the bizSAFE Community to expand from 10,000 corporations in 2011 to almost 30,000 corporations in 2017.<sup>8</sup>

As part of our WSH advocacy and promotion efforts, and uplifting the WSH practices of the construction industry as a whole, we have made it compulsory for all of our suppliers to be part of the bizSAFE Programme and further encourage them to strive for bizSAFE Star, the highest qualification achievable. Excellent WSH performance is priceless when all lives are safeguarded and when people everywhere go home safely to their families from their workplaces everyday.

**WSH Performance**

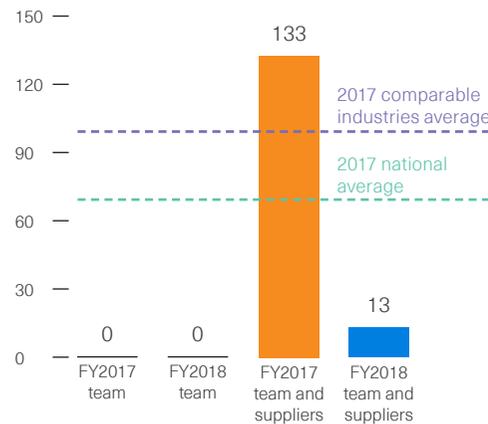
**AFR**

# of workplace accidents per million man-hours



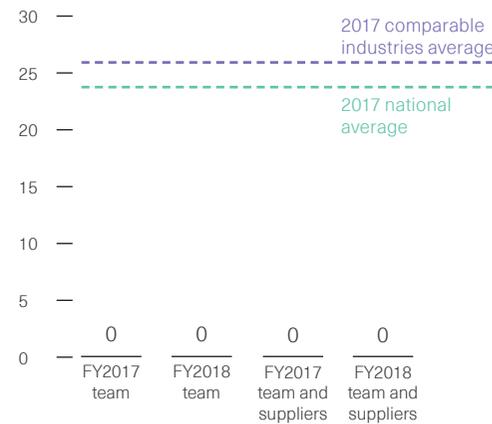
**ASR**

# of lost man days to workplace accidents per million man-hours

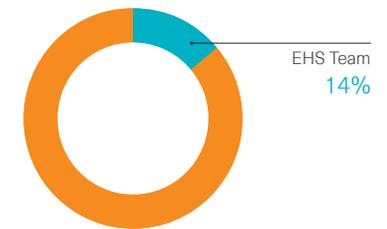


**Occupational disease incidence rate**

# of occupational disease cases per 100,000 employees



**EHS Team as % of Overall Team**



Note: Calculations are based on WSHC's published statistics for 2017, with the blended weighted industries average based on Singapore's construction and real estate sectors.

6 "Table 1.27: Accident Frequency Rate (AFR) and Accident Severity Rate (ASR) in Selected Sectors, 2016 and 2017." *Workplace Safety and Health Report 2017*, Singapore Government, Ministry of Manpower, February 2018, page 49, [www.mom.gov.sg/~media/mom/documents/safety-health/reports-stats/wsh-national-statistics/wsh-national-stats-2017.pdf?la=en](http://www.mom.gov.sg/~media/mom/documents/safety-health/reports-stats/wsh-national-statistics/wsh-national-stats-2017.pdf?la=en). Accessed 28 August 2018.

7 "Existing bizSAFE Communities: bizSAFE Mentors." Singapore Government, Workplace Safety & Health Council, [www.wshc.sg](http://www.wshc.sg). Accessed 28 August 2018.

8 "bizSAFE Journey at a Glance.", *Shine*, Singapore Government, Workplace Safety & Health Council, February 2018, page 3, [www.wshc.sg](http://www.wshc.sg). Accessed 28 August 2018.



INTRODUCTION	LONGEVITY REPORTING FRAMEWORK	PURSUING BUSINESS WITH A GREATER PURPOSE	<b>DEVELOPING OUR BEST ASSET - BOUSTEAD PROJECTS EMPLOYEES</b>	CONSERVING OUR COLLECTIVE HOME - PLANET EARTH	OTHER INFORMATION
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Continuing our WSH advocacy and promotion efforts in FY2018, we managed to raise 100% of our suppliers to at least bizSAFE Level 3 and 84% of our suppliers to bizSAFE Star.

#### 4.3.4 WSH Awards

We are a regular feature at the WSH Awards, an annual awards programme hosted by the WSHC and MOM to recognise excellent WSH performance.

During FY2018 at the WSH Awards 2017 held in July 2017, we received a Safety & Health Award Recognition for Projects (“SHARP”) for our landmark project of FY2017, GSK Asia House which today is home to GSK’s headquarters for Asia.

Shortly after the end of FY2018 at the WSH Awards 2018 held in July 2018, we received a SHARP for our landmark project of FY2018, ALICE @ Mediapolis developed under the Boustead Development Partnership and set to become Singapore’s first truly smart building in any business park.

To date, our excellent WSH performance has been recognised with the highest achievements under the bizSAFE Programme and 17 awards at the WSH Awards as shown here.

#### 4.4 SUPPLY CHAIN MANAGEMENT

We are committed to managing the impacts and risks associated with our supply chain. Supplier-related impacts and risks are identified, addressed and managed under our various management systems, Enterprise Risk Management Framework, internal controls, and external and internal audits.

Our procurement includes products and services from a network of suppliers regionally based on a list of approved suppliers for various construction equipment services, materials and trade services. Supplier costs and other construction costs typically make up more than 90% of our total cost of sales. In FY2018, we distributed a total of S\$149.0 million in economic value to suppliers.

Operationally, we manage our procurement through our procurement system enablers and list of approved suppliers, which are subject to regular review as well as external and internal audits.

Potential new suppliers are evaluated on their reputation, financial health, operations, quality and EHS performance for inclusion on our list of approved suppliers. Existing suppliers are regularly evaluated on their upkeep of their holistic performance with routine engagement and inspections throughout projects. As mentioned earlier, all suppliers are required to attain at least a bizSAFE Level 3 in order to qualify for our list of approved suppliers. We also ensure that approved suppliers are inducted in our Green & Gracious Programme, which is shown on pages 43 and 44 of this report.

Violations of our holistic standards will result in appropriate disciplinary actions taken against violating suppliers including potential permanent removal from our list of approved suppliers and referral to legal authorities for serious violations that may be illegal in nature. On the other hand, suppliers that display performance that consistently meets our expectations may receive reward points that can be used to bolster their bids to us on future projects, thereby incentivising good performance.

#### bizSAFE Programme

##### bizSAFE Level



#### bizSAFE Programme & WSH Awards

	Awarded by WSHC		
	bizSAFE Programme	WSH Award	SHARP Award
<b>Total</b>		<b>6 awards</b>	<b>11 awards</b>
<b>2018</b>		• BP E&C: WSH Performance (Silver) Award	• ALICE @ Mediapolis
<b>2017</b>			• GSK Asia House
<b>2016</b>			• Kuehne + Nagel Singapore Logistics Hub
<b>2015</b>			• MTU Asia Pacific HQ
<b>2012</b>		• WSH Performance (Silver) Award	• SDV Green Hub
<b>2011</b>	• bizSAFE Mentor	• WSH Performance (Silver) Award	• Rolls-Royce Wide Chord Fan Blade Manufacturing Facility
<b>2010</b>		• WSH Performance (Silver) Award • WSH Officer Award	• Applied Materials Building • IBM Singapore Technology Park • Singapore Aero Engine Services • The Singapore FreePort
<b>2009</b>	• bizSAFE Star	• WSH Performance (Silver) Award	• StarHub Green



## SECTION 5 – CONSERVING OUR COLLECTIVE HOME – PLANET EARTH

### PLANET EARTH

For all global stakeholders and all known life, Earth is our collective home and the only home we know. Nature in all forms – both organic and inorganic – is the nurturer and provider of all that is necessary to sustain life. Over the past 200 years, the world's population has grown exponentially with one billion people<sup>1</sup> when the Boustead Group was first established in 1828 to over seven billion people today and an expected 8.6 billion people by 2030.<sup>2</sup> This has placed tremendous resource strains on our planet's natural ecosystem.

Furthermore, close to four billion people live in urban centres and this is expected to increase to five billion people by 2030. Rapid urbanisation will lead to enormous challenges in government planning across all infrastructure, economic and environmental, social and governance (“ESG”) facets. Simultaneously, climate change – driven by greenhouse gas emissions contributed by human activities and agreed upon by 97% of actively publishing climate scientists<sup>3</sup> – continues to result in natural disasters and extreme weather events that have disrupted national economies and hurt lives, people, communities and countries.<sup>4</sup>

Accompanying expected rapid urbanisation, construction activities for infrastructure will continue to grow. As a responsible corporate citizen, we plan to do our part in minimising

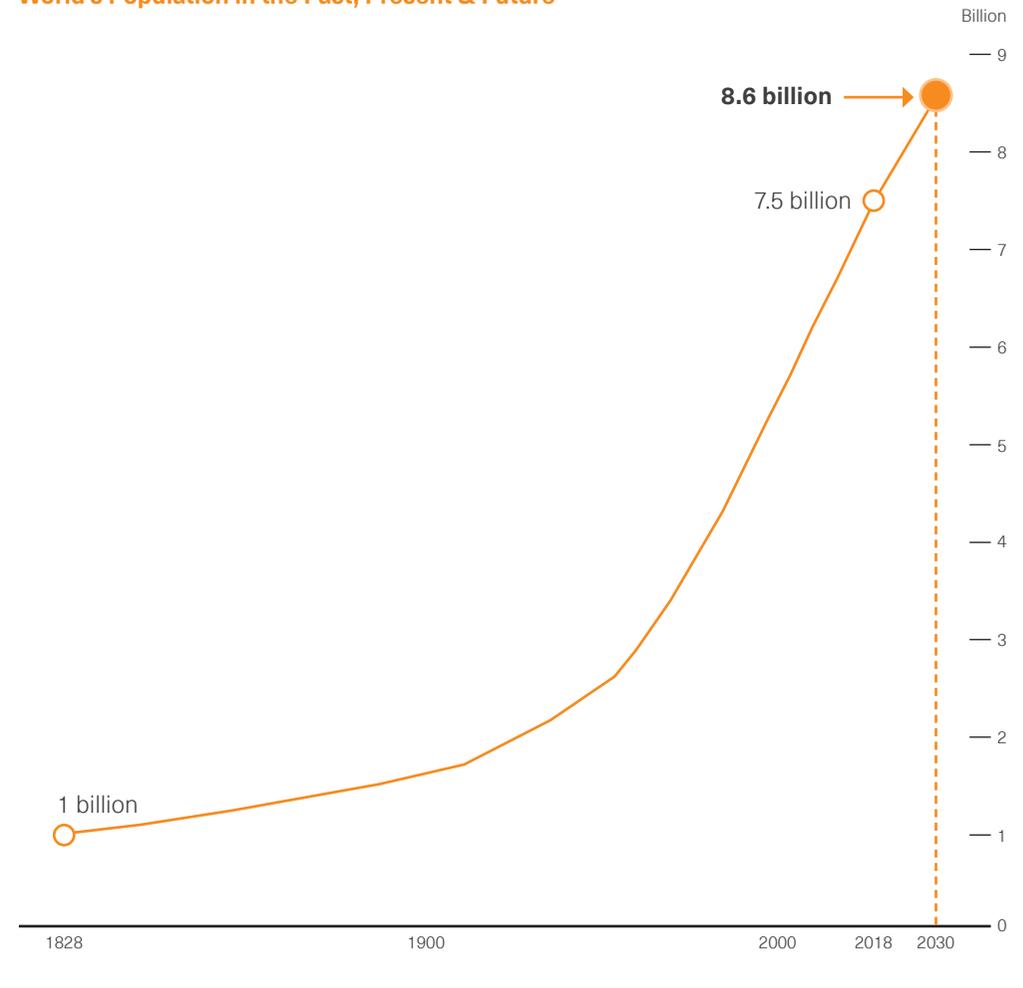
our ecological footprint and contributing to ESG initiatives that transit beyond our organisational ecosystem to our planet's natural ecosystem.

This section covers our environmental stewardship, legal and regulatory compliance, and community development, which are derived from the combined depth of all six capitals – financial, manufactured, intellectual, human, social and relationship, and natural – and ultimately deliver positive net effects for all six capitals.

### 5.1 ENVIRONMENTAL STEWARDSHIP

Construction activities and buildings exert considerable impact on the environment during their multi-decade building lifecycles from the embodied energy of materials and construction to the operating energy of operations and maintenance, and finally demolishment at the end of buildings' useful lives. This also presents significant opportunities to mitigate ecological footprints of construction activities and buildings in general. Earlier, we shared on pages 21 to 23 of this report how our eco-sustainable solutions have the potential to directly influence and reduce energy loss, emissions, pollution, and energy and water consumption in some of the most energy-intensive sectors, and work towards the extremely important planetary goal to combat climate change. Under this part of environmental stewardship, we will share our processes in environmental management.

### World's Population in the Past, Present & Future



1. Roser, Max and Esteban Ortiz-Ospina. “World Population Growth.” Our World in Data, 2013, updated April 2017, ourworldindata.org/world-population-growth. Accessed 28 August 2018.
2. “Projected Growth of Global Population.” *World Population Prospects: The 2017 Revision*, United Nations, UN Department of Economic & Social Affairs, Population Division, 2017, page 2, esa.un.org/unpd/wpp/publications/files/wpp2017\_keyfindings.pdf. Accessed 28 August 2018.
3. “Scientific Consensus: Earth's Climate is Warming.” National Aeronautics & Space Administration, climate.nasa.gov/scientific-consensus/. Accessed 28 August 2018.
4. “Sustainable Development Goals.” United Nations, sustainabledevelopment.un.org/sdgs. Accessed 28 August 2018.



### 5.1.1 Environmental Management

We are highly committed to complying with all applicable environmental laws and regulations in countries where we operate. As part of our Environmental Management System (“EMS”) aimed at protecting the environment and preventing pollution at our operations regionally, we first embarked on ISO 14001 certification in 2006 and have had an EMS in place ever since. Shortly after the end of FY2018 in April 2018, our major design-and-build subsidiary in Singapore, Boustead Projects E&C Pte Ltd (“BP E&C”) received an upgraded certification to the latest ISO 14001:2015 standard. Our EMS sets out environmental management system enablers, commitments, targets and responsibilities for our team, with overriding responsibility belonging to our Environmental, Health and Safety (“EHS”) Team headed by our EHS Director. This same team also oversees WSH performance. Our EHS Team manages all aspects of our EMS which is both externally and internally audited, and ensures environmental management performance at all workplaces and project sites under our control on a daily basis.

We are also committed to raising environmental awareness through our adoption of green practices.

### 5.1.2 Green & Gracious Builder Scheme

We are a voluntary participant in the Building & Construction Authority (“BCA”)’s Green & Gracious Builder Scheme (“GGBS”) launched to promote environmental protection and gracious practices during construction activities. Having achieved a Green & Gracious Builder Award (Excellent), we are committed to fulfilling our responsibility to the environment and the general public in terms

of addressing environmental concerns and mitigating potential inconveniences to the general public in construction activities. Our Green & Gracious Programme (“GGP”) is a subset of our EMS and sets out how we should fulfil our role as a Green & Gracious Builder.

Under the GGBS and our GGP, we periodically review and update construction processes and key performance indicators on ESG topics such as those shown here. Increasingly, there are overlaps in ESG topics, with fulfilment in one area contributing to benefits in the other areas.

Our GGP includes monitoring, performing and improving on internally set targets that cover areas such as reductions in concrete and re-bar wastage, waste disposal, direct energy and water consumption from construction operations, effluents, dust, noise and vibrations. Our targets are set at realistically achievable levels that are significantly better than the average performance of Singapore’s construction industry and the national level in these same topics, in which it was found that the construction industry contributed to in excess of 20% of all waste generated in Singapore in 2017. Although eventually 99% of construction waste generated and 61% of Singapore’s waste generated were recycled<sup>5</sup>, we believe that it is more important to reduce waste generation before the recycling phase since national resources – albeit a lower quantum are still required for recycling activities. We also require potential new subcontractors and suppliers (together “suppliers”) to be evaluated on their reputation, financial health, operations, quality and EHS performance for inclusion on our list of approved suppliers, with approved suppliers being inducted in our GGP.

### Green & Gracious Builder Scheme

GGBS Level	Score
Star	Above 90
Excellent	Above 75 to 90 (our current level)
Merit	Above 60 to 75
Certified	50 to 60

### Green & Gracious Programme

Environmental	Social
<ul style="list-style-type: none"> <li>• Materials reduction, reuse and recycling</li> <li>• Construction energy management</li> <li>• Construction water and environmental management</li> <li>• Housekeeping and air quality management</li> </ul>	<ul style="list-style-type: none"> <li>• Accessibility</li> <li>• General public safety</li> <li>• Construction noise and vibration management</li> <li>• Communication</li> <li>• Manpower management</li> </ul>

5. “Waste Statistics and Overall Recycling.” Singapore Government, National Environment Agency, [www.nea.gov.sg/our-services/waste-management/waste-statistics-and-overall-recycling](http://www.nea.gov.sg/our-services/waste-management/waste-statistics-and-overall-recycling). Accessed 28 August 2018.



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Due care is taken to ensure that businesses, residents and visitors within communities neighbouring our project sites are communicated to and not unnecessarily inconvenienced by ongoing projects. These efforts include keeping our project sites clean and organised, protecting pathways and sidewalks that run along project sites, minimising dust, noise and vibrations, and putting up communications and signages where appropriate including ways to contact us should there be any major inconveniences.

During FY2018, we met all targets in terms of reducing concrete, re-bar wastage and waste disposal costs.

For our commendable efforts and improvements under the GGBS, shortly after the end of FY2018 at the BCA Awards 2018 held in May 2018, we received the Green & Gracious Builder Award (Excellent) for overall excellent environmental, professional and sustainability practices, an upgrade from

the Green & Gracious Builder Award (Merit) attained in 2015.

**5.1.3 Energy & Water Efficiency**

We have worked hard to improve the energy and water efficiency of our operations regionally in order to optimise the use of natural resources and mitigate our ecological footprint. Improving energy and water efficiency has also translated to lower operating costs and conversely higher profitability. Such gains have been achieved in two areas of our operations: during the construction phase of design-and-build projects and during the operational phase of multi-tenanted buildings that we have developed and continue to own and lease out.

Our design-and-build projects use diesel as a fuel for onsite diesel power generators, electricity drawn from the national power grid and water drawn from the national water network. We also collect rainwater which is treated and recycled for use in activities such as project site cleanliness and

washing of vehicles leaving project sites.

During FY2018, we measured our average energy and water intensity per square metre (“sq m”) of constructed gross floor area (“GFA”) – not including recycled water – for all significant design-and-build projects in Singapore as shown here.

Our administrative workplaces regionally and multi-tenanted developments in our leasehold portfolio draw on electricity from the national power grid and water from the national water network.

Our global headquarters is Edward Boustead Centre, a Green Mark Platinum-rated building with a high efficiency building envelope design and some of the highest ratings in energy and water efficiency. In terms of energy efficiency, Edward Boustead Centre uses double glazed low-emissivity glass to reduce heat flow into the building, more efficient T5 lighting, motion sensors that activate lighting at staircases and toilets, and a signature central skywell that

allows plenty of natural lighting to penetrate even central areas of the building. In terms of water efficiency, Edward Boustead Centre uses extremely efficient water fittings and has a rainwater harvesting system to recycle captured rainwater towards water-intensive horticultural and toilet flushing purposes. Edward Boustead Centre also has air handling unit condensate recycling, sky terraces and a rooftop garden to reduce heat island effects, which together with the earlier mentioned green features result in estimated carbon dioxide savings of 264 tonnes annually, equivalent to the emissions of 20,948 cars in a day.

During FY2018, we began to actively track the electricity consumption at all administrative workplaces regionally to provide a baseline for comparison against our future usage. In terms of multi-tenanted developments within our leasehold portfolio constructed after the launch of mandatory submission under the BCA’s Green Mark Programme in 2008, there was only one fully operational

**FY2018 Energy & Water Intensity of Design-and-Build Projects in Singapore**

	Energy			Water
	Diesel	Electricity	Total Energy (Diesel + Electricity)	
<b>Total energy and water consumed for construction</b>	360,983 litres (“L”) or 13,822,195 megajoules (“MJ”)	+ 39,279 kilowatt-hours (“kWh”) or 141,400 MJ	= 3,878,884 kWh or 13,963,595 MJ	17,447 cubic metres (“cu m”)
<b>Average energy and water intensity</b>	# of L/MJ per sq m of constructed GFA	# of kWh/MJ per sq m of constructed GFA	# of kWh/MJ per sq m of constructed GFA	# of cu m per sq m of constructed GFA
	5.6 L or 215.9 MJ	+ 0.6 kWh or 2.2 MJ	= 60.6 kWh or 218.1 MJ	0.3 cu m



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development, Edward Boustead Centre, with the only other multi-tenanted development, ALICE @ Mediapolis still under construction and expected to be fully operational only in FY2019. We do not track the energy and water usage at other properties within our leasehold portfolio as they are mainly single-tenanted properties and hence, energy and water usage is driven by clients' processes, which can significantly differ based on respective clients' business activities.

During FY2018, we measured our energy and water consumption for administrative workplaces regionally and Edward Boustead Centre as shown here. The energy use intensity ("EUI") of Edward Boustead

Centre also compared extremely favourably with Singapore's average EUI at both the comparable buildings and national levels and is in the second best performing quartile for comparable buildings.<sup>6</sup> The water use intensity ("WUI") of Edward Boustead Centre was in line with Singapore's median WUI for comparable buildings.<sup>7</sup>

**5.1.4 Waste Reduction**

Under environmental stewardship, we believe that waste reduction should be undertaken in both big and small ways. We encourage our team to reduce paper usage and to reuse or recycle non-sensitive paper waste where practicable. In FY2015, building on our green initiative, we adopted

a paperless electronic format for annual reports and in FY2018, further phased out CD copies of annual reports altogether to reduce plastic waste as well. We have also digitised most of our previously hard copy-based records where appropriate and continue to use IT systems and software solutions to improve our data governance and productivity, which helps to reduce yet another form of waste – time waste. In fact, our investments in integrated digital delivery and building information modelling ("BIM") have significantly improved digitalisation and productivity efforts, and almost eliminated paper usage while drastically reducing potential human errors in projects where BIM has been applied.

**5.2 LEGAL & REGULATORY COMPLIANCE**

We are highly committed to fully complying with applicable laws and regulations in countries where we operate. Often, these laws and regulations cross the boundaries of economic and ESG topics, covering almost all aspects of our business and are governed under the scope of different government ministries, agencies, statutory boards and regulators.

In Singapore, the main government stakeholders and regulators that we regularly communicate with are shown on page 46 of this report. In other countries where we operate, we regularly communicate with government stakeholders and regulators that are similar in scope.

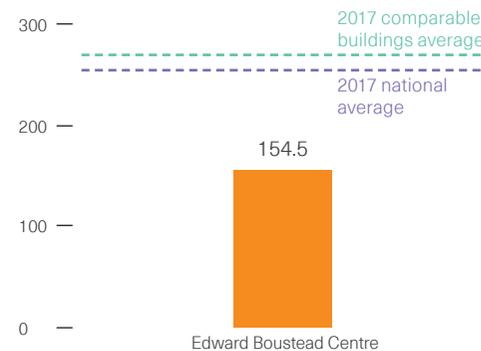
**FY2018 Energy & Water Intensity of Administrative Workplaces Globally**

	Administrative Workplaces	
	Energy	Water
<b>Total energy and water consumed for operations</b>	122,483 kWh or 440,927 MJ	3,206 cu m
<b>Average energy and water intensity</b>	# of kWh/MJ per employee per year	# of cu m per employee per year
	907.3 kWh or 3,266.1 MJ	23.7 cu m

**FY2018 Energy & Water Intensity of Edward Boustead Centre**

**Total electricity consumed**  
1,353,019 kWh

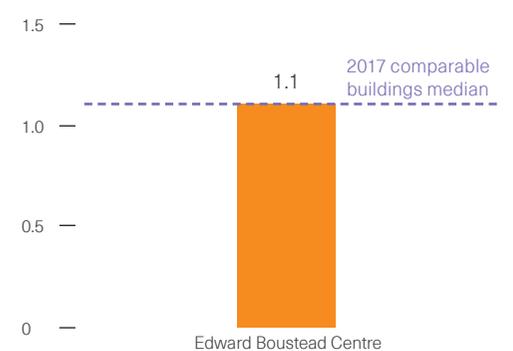
**Average energy intensity**  
# of kWh per sq m of GFA per year



Note: Estimated savings of 567,568 kWh per year, equating to 30% better than baseline based on Green Mark submission.

**Total water consumed**  
9,654 cu m

**Average water intensity**  
# of cu m per sq m of GFA per year



Note: Estimated savings of 798 cu m per year based on Green Mark submission.

6. "BCA Building Energy Benchmarking Report (Statistics & Figures) 2018." Singapore Government, Building & Construction Authority, Environmental Sustainability Group and Green Building Policy Department, 2018, pages 3 and 8, www.bca.gov.sg/bess/benchmarkingreport/benchmarkingreport.aspx. Accessed 28 August 2018.  
 7. "Office Building Benchmarks." Singapore Government, PUB, 2018, page 2, www.pub.gov.sg/documents/waterefficiencybenchmark\_office.pdf. Accessed 28 August 2018.

**Government Stakeholders & Regulators**

Government Stakeholder	Agency	Scope	Relevant Economic and ESG Topics
Ministry of Finance	• Accounting & Corporate Regulatory Authority	• Business and corporate filings	
	• Inland Revenue Authority of Singapore	• Tax filings • Material taxable transactions	
Ministry of Environment & Water Resources	• National Environment Agency	• Environment	
	• PUB	• Environment	
Ministry of Manpower	• Central Provident Fund	• Employment social security savings scheme	
	• Workplace Safety & Health Council	• WSH	
Ministry of National Development	• Building & Construction Authority	• Built environment • Construction	
Ministry of Trade & Industry	• Economic Development Board	• Foreign direct investment in Singapore	
	• Enterprise Singapore	• Enterprise and trade	
	• JTC Corporation	• Industrial real estate and infrastructure	
Regulators, Tripartite Committees and National Associations	• SGX	• Listing requirements • Business and corporate filings • Material transactions	
	• Singapore Institute of Directors	• Corporate governance • Directors	
	• Tripartite Alliance for Fair & Progressive Employment Practices	• Employment	

Government stakeholders and regulators give us our business licences to conduct our operations regionally. Full compliance with applicable laws and regulations cannot be overstated and is inherent in all system enablers. Relevant on-the-job training is provided to team members to ensure that they comprehend and meet the requirements of laws and regulations that apply to their job scopes. In addition, professional training may also be extended to specific team members in order for them to better comprehend and meet the requirements of applicable laws and regulations in high-risk economic and ESG topics. Other than government stakeholders and regulators, we may at times also have to comply with laws and regulations embedded within contractual terms set by clients and lenders, who have to ensure compliance with laws and regulations which are specific to their industries.

In FY2018, we had zero significant fines, non-monetary sanctions or cases brought against us through dispute resolution mechanisms by government stakeholders and regulators in economic and ESG facets. We also had zero substantiated complaints received from external parties and regulators or identified leaks, thefts or losses of customer data under the customer privacy area.

### 5.3 COMMUNITY DEVELOPMENT

We are committed to community development and selecting an appropriate externally-managed community development programme to support on a long-term basis. At times, we also undertake philanthropic fund raising through our own fund raising platforms in collaboration with our suppliers. Communities in countries where we operate benefit directly from our donations both in monetary terms and in-kind to organisations

that run community development programmes and also indirectly through the projects that we undertake for end-user clients, which provide jobs to those communities and ESG benefits.

During FY2017, we raised and committed S\$290,000 in donations to help Student Care Services, now known as SHINE Children & Youth Services (“SHINE”) during our Boustead Projects 20th Anniversary Charity & Golf Dinner. SHINE runs centres assisting at-risk and under-privileged youths through social work, educational psychology, training and consultancy. Our donations helped SHINE to reach and touch the lives of almost 5,000 at-risk and under-privileged youths.

During FY2018, we committed S\$30,000 in donations to various causes. Our team members also participated by giving their time to participate in some of the Boustead Group’s community development programmes. Our noticeable reduction in donations for FY2018 is due to our ongoing evaluation of a new externally-managed community development programme that we can support in a meaningful way on a long-term basis.

### 5.4 CONCLUSION

Although we have achieved respectable performance in material ESG topics, we recognise that we can and must do better. After we collect and report on at least two years’ worth of data on material ESG topics, our Board will consider setting medium-term longevity performance targets in material ESG topics where targets have not already been set. Hand-in-hand with our stakeholders, we intend to continue our role as a responsible corporate citizen, one which we hope to honour for many more decades to come. Join us in this ultra-triathlon.

## FY2018 Legal & Regulatory Compliance Performance



### Economic

# ZERO

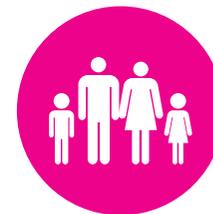
significant fines, non-monetary sanctions and cases brought against us through dispute resolution mechanisms in economic areas.



### Environmental

# ZERO

significant fines, non-monetary sanctions and cases brought against us through dispute resolution mechanisms in environmental areas.



### Social

# ZERO

significant fines, non-monetary sanctions and cases brought against us through dispute resolution mechanisms in social areas.



## GRI CONTENT INDEX

This GRI Content Index makes reference to this report and the *Boustead Projects FY2018 Annual Report* ("FY2018 AR").

GRI Standard	Disclosure Number	Disclosure Title	Page reference and reasons for omission, if applicable
<b>GRI 101: Foundation 2016</b>			
<b>General Disclosures</b>			
<b>Organisational profile</b>			
GRI 102: General Disclosures 2016	102-1	Name of the organisation	Front cover, pages 1, 10; FY2018 AR (front and back covers, pages 40, 70)
	102-2	Activities, brands, products and services	Pages 1, 4-5, 18-23; FY2018 AR (inside front cover, pages 1-33, 123-124)
	102-3	Location of headquarters	Page 10; FY2018 AR (back cover, pages 40, 70)
	102-4	Location of operations	Pages 19-20; FY2018 AR (pages 20-31, 123-124)
	102-5	Ownership and legal form	Page 1; FY2018 AR (pages 40, 70, 125-126)
	102-6	Markets served	Pages 1, 4-5, 18-23; FY2018 AR (pages 2-7, 10-11, 20-31, 123-124)
	102-7	Scale of the organisation	Pages 1, 4-5, 18-31, 34; FY2018 AR (pages 2-7, 10-33, 38-39, 65-69, 116-118, 123-126)
	102-8	Information on employees and other workers	Pages 8-9, 11-17, 30, 32-41; FY2018 AR (pages 11, 14-15)
	102-9	Supply chain	Pages 9, 11, 30, 39-41, 43; FY2018 AR (pages 14-15)
	102-10	Significant changes to the organisation and its supply chain	Page 41; FY2018 AR (pages 14-15)
	102-11	Precautionary Principle or approach	Page 18
	102-12	External initiatives	Pages 6-7, 15-17, 22-24, 27-30, 33-35, 39-41, 43-47
	102-13	Membership or associations	n.a.
<b>Strategy</b>			
	102-14	Statement from senior decision maker	Page 3
	102-15	Key impacts, risks and opportunities	Pages 14-17
<b>Ethics and integrity</b>			
	102-16	Values, principles, standards and norms of behaviour	Pages 2-7, 32-33; FY2018 AR (pages 8-9, 46-60)
	102-17	Mechanisms for advice and concerns about ethics	Page 33; FY2018 AR (pages 55-60)



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GRI Standard	Disclosure Number	Disclosure Title	Page reference and reasons for omission, if applicable
<b>GRI 101: Foundation 2016</b>			
<b>General Disclosures</b>			
<b>Governance</b>			
	102-18	Governance structure	Pages 6-7; FY2018 AR (pages 46-60)
	102-19	Delegating authority	Page 6
	102-20	Executive-level responsibility for economic, environmental and social topics	Page 6
	102-21	Consulting stakeholders on economic, environmental and social topics	Pages 11-17
	102-22	Composition of the highest governance body and its committees	Pages 6-7; FY2018 AR (pages 46-60)
	102-23	Chair of the highest governance body	Pages 6-7; FY2018 AR (page 49)
	102-24	Nominating and selecting the highest governance body	Pages 6-7; FY2018 AR (pages 46-51)
	102-25	Conflicts of interest	Pages 6-7; FY2018 AR (pages 46-60)
	102-26	Role of highest governance body in setting purpose, values and strategy	Pages 6-7; FY2018 AR (pages 46-48)
	102-27	Collective knowledge of highest governance body	Pages 6-7; FY2018 AR (pages 34-35, 46-51)
	102-28	Evaluating the highest governance body's performance	Pages 6-7; FY2018 AR (pages 46-60)
	102-29	Identifying and managing economic, environmental and social impacts	Pages 6-7, 11-17; FY2018 AR (pages 46-48, 55-57)
	102-30	Effectiveness of risk management processes	Pages 6-7; FY2018 AR (pages 46-48, 55-57)
	102-31	Review of economic, environmental and social topics	Pages 6-7; FY2018 AR (pages 46-48, 55-57)
	102-32	Highest governance body's role in sustainability reporting	Pages 6-7; FY2018 AR (pages 46-48)
	102-33	Communicating critical concerns	Pages 6-7, 10, 33; FY2018 AR (pages 55-60)
	102-34	Nature and total number of critical concerns	FY2018 AR (pages 55-60)
	102-35	Remuneration policies	Pages 34-38; FY2018 AR (pages 52-54)
	102-36	Process for determining remuneration	Pages 34-38; FY2018 AR (pages 52-54)
	102-37	Stakeholders' involvement in remuneration	Pages 34-38; FY2018 AR (pages 52-54)
	102-38	Annual total compensation ratio	n.a.
	102-39	Percentage increase in annual total compensation ratio	n.a.



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	102-41	Collective bargaining agreements	n.a.
	102-42	Identifying and selecting stakeholders	Pages 11-17
	102-43	Approach to stakeholder engagement	Pages 11-17
	102-44	Key topics and concerns raised	Pages 11-17
<b>Reporting practice</b>			
	102-45	Entities included in the consolidated financial statements	FY2018 AR (pages 71-73, 92-99)
	102-46	Defining report content and topic boundaries	Pages 10-17
	102-47	List of material topics	Pages 11-17
	102-48	Restatements of information	Page 10
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	102-53	Contact points for questions regarding the report	Page 10
	102-54	Claims of reporting in accordance with GRI Standards	Page 10
	102-55	GRI content index	Pages 48-53
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<b>Topic-Specific Standards</b>			
<b>Eco-sustainable solutions</b>			
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GRI Standard not available	Not applicable	Qualification and quantification of eco-sustainable solutions	Pages 21-23



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<b>Quality and transformation</b>			
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	103-2	The management approach and its components	Pages 24-30
	103-3	Evaluation of the management approach	Pages 24-30
GRI Standard not available	Not applicable	Qualification and quantification of quality and transformation initiatives	Pages 25-30
<b>Economic performance</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Pages 30-31
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GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Pages 30-31
<b>Data and information security</b>			
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GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Pages 34-38
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<b>Environment</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Pages 42-47
	103-2	The management approach and its components	Pages 42-47
	103-3	Evaluation of the management approach	Pages 42-47
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	103-2	The management approach and its components	Pages 45, 47
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<b>Community development</b>			
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Certain infographic elements contained in "Nine Technologies of Industry 4.0" on page 27 and "Industry 4.0 Future Feature: ALICE" on page 29 of this report are designed by Freepik.

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