Singapore eDevelopment Limited

Sustainability Report 2017

BOARD STATEMENT

Dear stakeholders,

I would like to thank everyone for the support provided to Singapore eDevelopment Limited ("SeD" or "the Company" or "the Group") during the year. While we are facing an ever-changing environment, SeD will continue to monitor closely the local and various global markets, exercise financial prudence with strong business acumen to ensure our investment decisions always further our aim of a sustainable growth and optimal returns for the Group and our shareholders.

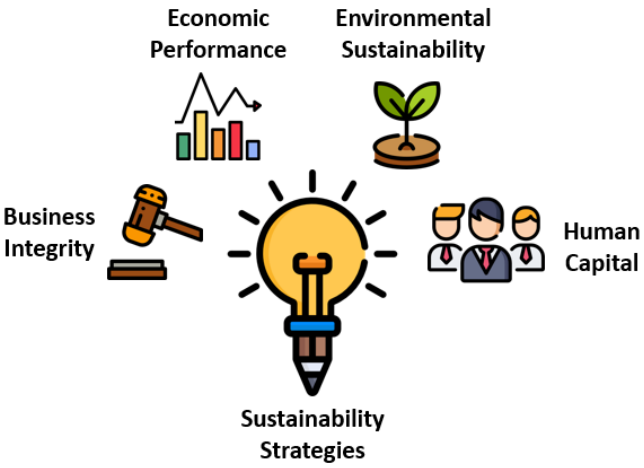
In addition to optimising returns, we also recognise the importance of ensuring the sustainability of the Group. We are very pleased to present the first Sustainability Report (the "Report") of SeD.

This Report aims to inform stakeholders of SeD about our sustainability performance in a transparent and accountable manner. It covers the Group's strategies, policies, practices and performance in relation to economic, environmental, social and governance issues ("ESG").

Our report draws on the internationally recognized framework, the Global Reporting Initiative's ("GRI") Sustainability Reporting Standards.

At SeD, we recognize that sustainability forms an integral part of our operations and strategies, and we strive to drive our operations in the direction in which we can contribute positively to all of our stakeholders.

After conducting a materiality review and assessment with our external consultants, we have identified eight indicators that matter most to our business, and to both internal and external stakeholders. These material issues are taken into account through our four sustainability strategies – Business Integrity, Economic Performance, Environmental Sustainability and Human Capital.



Business Integrity

Business integrity and corporate governance is an important core value of SeD. We do not tolerate any form of corruption or fraud within the organisation.

Besides complying with the recommendations of the Code of Corporate Governance 2012, policies have also been established to address business conduct expected of all employees. Our whistleblowing policy provides avenues for staff to raise concerns about suspected Reportable Conduct which may adversely affect the Group.

BOARD STATEMENT

Economic Performance

SeD believes in the creation of long-term economic value and a stable economic performance of the company. In addition to the Group's financial performance, SeD also focuses on the indirect impact of our infrastructure investments on the stakeholders and the economy.

Environmental Sustainability

With the growing importance of sustainability, we recognize that there is a need to contribute towards combatting climate change. SeD is committed to minimizing our environmental impact by focusing on reducing our energy footprint.

Human Capital

Employees are highly valued as they are a key to the contribution of SeD's growth and success. Our headcount increased to 23 in FY2017 as compared to 20 in FY2016. Within the year, there was minimal change in our headcount, with four new hires and one resignation.

Looking Ahead

The dynamic and fast paced environment today is contributing to the constant evolvement of the economic, environment, social, and governance landscape.

We recognise the need to adapt our operations and sustainability strategies to these changes and will continue to integrate sustainability into our daily operations across the Group. We appreciate and are thankful to all our stakeholders who are embarking this journey with us to build a more sustainable future. 102-14

Mr Chan Heng Fai

Executive Director and Chief Executive Officer

ABOUT THE REPORT

Reporting Period 102-49 102-50 102-51 102-52

SeD's Sustainability Report is published on an annual basis. This inaugural report covers the Financial Year 2017, for the period of 1 January 2017 to 31 December 2017.

Reporting Scope 102-48

All data, statistics and improvement targets are in relation to SeD's property business.

Our international property development division's two main property development projects are "Black Oak" (located north of Houston, Texas) and "Ballenger Run" (located near Washington D.C. in Frederick, Maryland).

There are no restatements of information in this report.

GRI Guidelines 102-54 102-56

This report is prepared based on the GRI Sustainability Reporting Standards 2016, in accordance with the Core option. The GRI content index and relevant references are provided on pages 13 - 15.

We have not sought external assurance for this reporting period.

Feedback 102-53

Our stakeholders' views are important to us and we welcome feedback on this report and any aspect of our sustainability performance. Kindly address all feedback to our Senior Vice President of Corporate Affairs, Aileen Ang at aileen@sed.com.sg. 102-53

Our Sustainability Reporting Structure

SeD's sustainability strategies and actions are spearheaded by the Sustainability Committee which oversees the group-wide sustainability strategies and initiatives.

Sustainability Reporting Structure



ABOUT THE REPORT

Our Sustainability Strategy

SeD's sustainability strategy – Business Integrity, Economic Performance, Environmental Sustainability and Human Capital was formalized by the Sustainability Committee. SeD places sustainability at the core of our strategy and operations to create sustainable value for all our stakeholders.

ABOUT THE COMPANY

Who We Are

SeD was incorporated in September 2009 and has since then diversified into international markets.

The Group's portfolio comprises:

(i) property development and related services;
(ii) information technology related businesses;
(iii) development, research, testing, manufacturing, licensing and distribution of biomedical products; and
(iv) investment activities

Besides our head office located in Singapore, we have other global offices in Hong Kong, Malaysia and the United States of America.

We serve in the markets of the following countries: Singapore, Australia, People's Republic of China and the United States of America.

Our Value Chain and Sustainability 102-9



SeD places an emphasis on sustainability in our value chain as we believe that a sustainable business operation is a strong driver of value and success for the business, as well as for the community and environment.

We will continue to integrate sustainability into all our business operations by engaging closely with our stakeholders across our value chain.

OUR APPROACH TO SUSTAINABILITY

Stakeholder Engagement 102-40 102-42 102-43 102-44

Stakeholders are key to providing us with feedback and comments on our business conduct and operations. By collaborating with our stakeholders, it supports us in addressing sustainability challenges and opportunities.

We engage with our stakeholders regularly and incorporate relevant and appropriate feedback into our planning and actions.

Stakeholders	Stakeholders' Expectations/ Concerns	Engagement Platform
Employees	• Safe and conducive workplace • Fair labour practices and compensation	• Trainings • Grievance/ Feedback channels • Regular reviews and appraisals • Intranet platform for policies, news and benefits
Customers	• Product compliance with all relevant regulations • Timely follow-up on customer feedback • Ability to offer competitive and cost-efficient solutions which are safe and environmentally responsible	• Feedback channels such as email and telephone communications • Client meetings • Corporate website, email and newsletters
Suppliers	• Clear two-way communication channels • Timely feedback regarding materials/ services provided	• Inspections and quality site visits • Quotations and requests for proposal • Raw material specifications discussion meetings
Shareholders & Regulators	• Business resilience and financial performance • Business strategy and direction • Corporate governance and compliance • Transparent and timely communication of information	• Results announcements and news releases • Corporate website and email • Annual General Meetings

OUR APPROACH TO SUSTAINABILITY

Materiality Review Process 102-46 102-47

For this Sustainability Report, the Materiality Principle is applied to define its content.

As part of the process to determine the material factors, an internal strategy review and sustainability workshop moderated by an external consultant was organized during the year. During these sessions, the Group reviewed its vision, mission and core values, strategic direction, sustainability impacts and material topics.

We reflected on significant economic, environmental and social impacts to determine aspects that are material to the organization as they are integral to SeD's success of building of a sustainable future for all of our stakeholders.

Eight indicators, which are grouped into three main categories, were identified during the assessment conducted in accordance with GRI's Sustainability Reporting Standards 2016. The materiality assessment was subsequently endorsed by SED Ltd's Sustainability Committee.

Category	Class	Standard	Indicators
 **Environment**	Energy	302-1	Energy Consumption within the Organization
		302-4	Reduction of Energy Consumption
 **Economic**	Economic Performance	201-1	Direct Economic Value Generated and Distributed
	Indirect Economic Impacts	203-1	Development and Impact of Infrastructure Investments and Services Supported
	Procurement Practices	204-1	Proportion of Spending on Local Suppliers at Significant Locations of Operations
 **Social**	Anti-Corruption	205-2	Communication and Training on Anti-Corruption policies and procedures
		205-3	Confirmed Incidents of Corruption and Actions taken
	Employment	401-1	New employee hires and employee turnover

BUSINESS INTEGRITY 102-16 205-2 205-3

SeD is committed to achieving and maintaining a high standard of corporate governance and business integrity within the Group. By doing so, it helps to ensure the stability and sustainability of the Group's performance, protect the interests of shareholders of the Company and enhance long-term Shareholders' value and returns.

The Group has substantially complied with the recommendations of the Code of Corporate Governance 2012 ("Code") to outline the corporate governance practices adopted by the Company in our Corporate Governance Report.

Whistleblowing Policy and Procedures

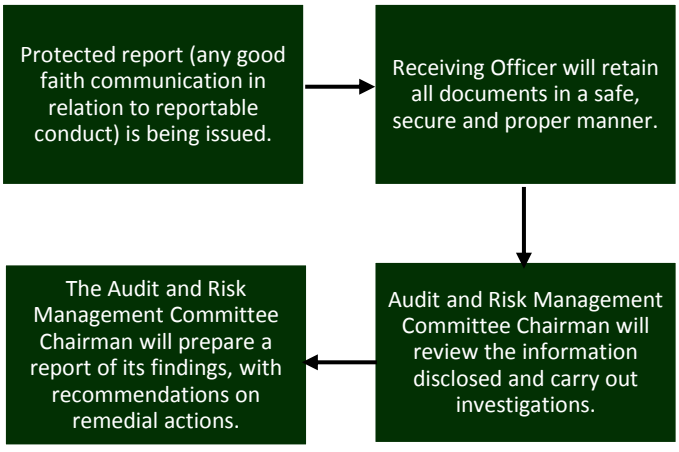
Our whistleblowing policy was set up with the purpose to encourage the reporting in good faith of suspected Reportable Conduct by establishing clearly defined processes.

The objectives of the whistle-blower protection policy are to:

- Provide for the mechanisms by which Whistle-Blowers may report Reportable Conduct;
- Enable the Company to effectively deal with reports from Whistle-Blowers, in a way that will protect the identity of the Whistle-Blowers and persons who participate in investigations initiated under this policy, and provide for the secure storage of the information provided;
- Establish the policies for protecting Whistle-Blowers and persons who participate in investigations initiated under this policy, against reprisal by any person internal or external to the Company; and provide for an appropriate infrastructure for receiving, investigating and taking corrective or remedial action in relation to such reports.

SeD has designated the company's secretary as the Receiving Officer, who reports directly to the Audit and Risk Management Committee Chairman on all matters arising under this policy.

The summary of the policy process is highlighted below.



We are pleased to report that there were no instances of corruption during FY2017 and aim to maintain this performance for FY2018.

ECONOMIC PERFORMANCE

By adopting responsible business practices and embedding sustainability in the business, SeD believes it creates long-term economic value and contributes to a stable economic performance of the company.

Our Performance

For FY2017, the Group recorded a total revenue of S$15 million. The higher revenue in FY2017 was contributed by the property development project located in Frederick County, Maryland USA.

Total operating expenses was S$9.5 million in FY2017 due to the additional expenses of S$2.2 million associated with the network marketing business which commenced in FY2017.

For the full details of the Group's economic performance, kindly refer to our Annual Report 2017.

Indirect Economic Impacts 203-1

Besides the direct economic value being generated, SeD also focuses on the indirect impact our infrastructure investments can have on the stakeholders and the economy.

Our investment in the community is shown by designing highways, streets, roads, or common driveways guided by the following principles:

- Design for opportunities to create interconnections between adjoining parcels.
- Provide for safety, efficiency, and convenience of all users of the transportation system.
- Be suitably located and designed/improved to accommodate prospective traffic, emergency service vehicles, and road maintenance equipment.
- Transportation systems and parking areas are intended to be adequate to serve the proposed use in addition to existing uses by providing safe and efficient circulation, and design consideration that maximizes connections with surrounding land uses and accommodates public transit facilities.

During our development for the Ballenger Run project, we worked with the Frederick County Board of Education ("BOE"). SeD agreed that it would convey to the BOE, with no monetary consideration paid, a public-school site totalling a minimum of 13+/- acres, to serve the project and the surrounding regions.

Procurement Practices 204-1

By supporting local suppliers, SeD can indirectly attract additional investment to the local economy. It can also help to provide supply, support a steady local economy, and sustain community relations.

For the Ballenger Run and Black Oak Project, the contractors engaged are local companies. Manpower onsite for construction is generally sourced locally by third-party contractors. In addition, materials are generally sourced locally by third-party contractors.

ENVIRONMENT

Energy Consumption 302-1

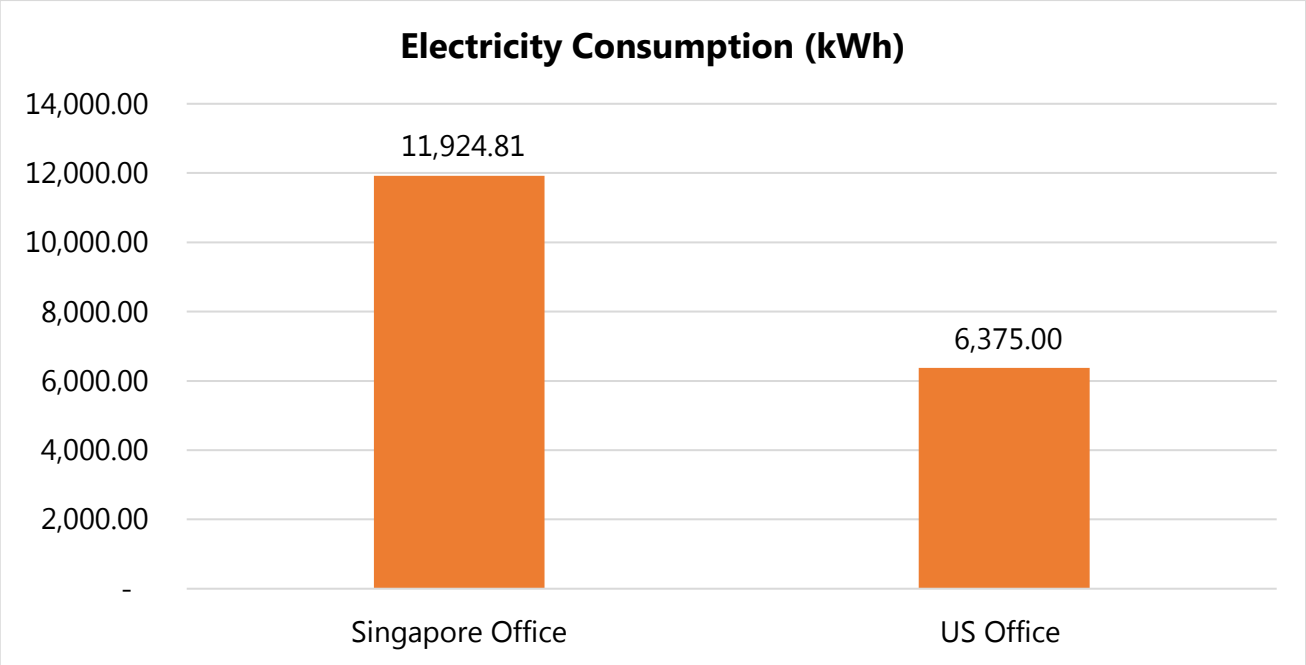
The tracking and monitoring of our electricity consumption are performed monthly so as to monitor and improve any initiatives in place.

During FY2017, our Singapore office was located at 10 Winstedt Road #02-02 and #02-03 for the period of 1 Jan 2017 to 25 May 2017. From 26 May 2017 onwards, we moved to a new office at Suntec Tower One #29-01B.

For FY2017, our Singapore office at Winstedt Road and subsequently, Suntec Tower consumed a total of 11,924.81 kilowatts of electricity. Our Houston office reported a total consumption of 6,375 kilowatts of electricity.

Reduction of Energy Consumption 302-4

Motion sensors are installed in our office in Bethesda (Maryland) to control lighting with the aim of reducing electricity consumption. Going forward, we plan to implement more initiatives to reduce our energy consumption.



SOCIAL

Employment 102-8 401-1

Employees are a crucial asset to SeD and they play a significant role in ensuring a high level of efficiency and achieving greater output.

As of 31 December 2017, we have a total headcount of 23 for the Property Development division, an increase from a headcount of 20 in 2016. Being a global group, our headcount includes employees from Singapore, Hong Kong and the United States of America.

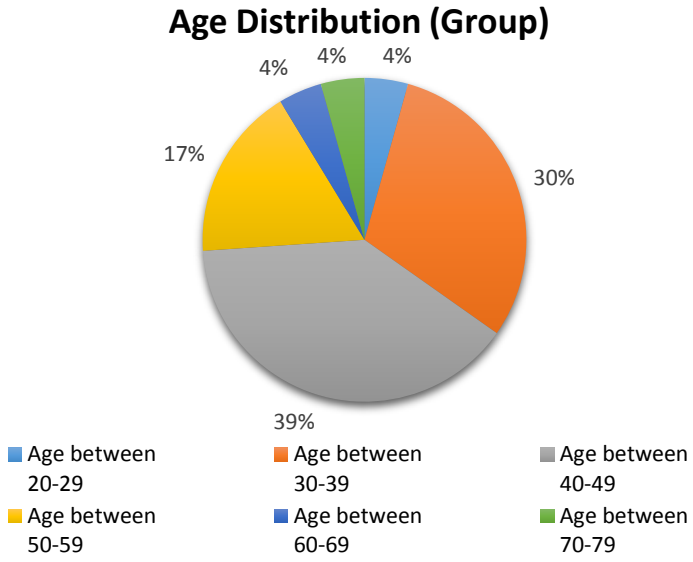
In addition to the Company's employees, SeD also outsources the development and project management activities to third-party contractors and consultants.

Employee Headcount (Country Breakdown)



13 personnel **6 personnel** **4 personnel**

There is a fair gender distribution among our staff with 61% being Male and 39% being Female. In terms of age distribution, the majority of our employees fall within the category of "Age between 40 – 49".



There was minimal change in our headcount, with four new hires and one resignation during FY2017. The new hires mainly fall within the age "Between 30 to 59" and there was an equal gender distribution among the four new hires. Based on the location of the new hires, both Singapore and the United States of America hired two personnel each.

GRI INDEX: CORE OPTION 102-55

GRI Indicator	Disclosure	Report Sections	Page Reference
GRI 102: GENERAL			
Organizational Profile			
GRI 102-1	Name of the organization	2017 Annual Report - Company Profile, CEO Message, Financial Review, and Group Structure (Pages 1 – 9)	-
GRI 102-2	Activities, brands, products, and services		
GRI 102-3	Location of headquarters		
GRI 102-4	Location of operations		
GRI 102-5	Ownership and legal form		
GRI 102-6	Markets served		
GRI 102-7	Scale of the organization		
GRI 102-8	Information on employees and other workers	Social	11
GRI 102-9	Supply chain	About the Company - Our Value Chain and Sustainability	5
GRI 102-10	Significant changes to the organization and its supply chain	Not Applicable	-
GRI 102-11	Precautionary Principle or approach	SeD does not specifically utilise to the precautionary approach when managing risk; however, our management approach is risk-based, and supported by our risk management framework.	-
GRI 102-12	External initiatives	Not Applicable	-
GRI 102-13	Membership of associations	Not Applicable	-
Strategy			
GRI 102-14	Statement from senior decision-maker	Board Statement	1 – 2
Ethics and integrity			
GRI 102-16	Values, principles, standards, and norms of behaviour	Business Integrity	8
Governance			
GRI 102-18	Governance structure	2017 Annual Report - Corporate Governance Report (Pages 10 – 39)	-

GRI INDEX: CORE OPTION 102-55

GRI Indicator	Disclosure	Report Sections	Page Reference
Stakeholder Engagement			
GRI 102-40	List of stakeholder groups	Our Approach to Sustainability - Stakeholder Engagement	6
GRI 102-41	Collective bargaining agreements	Not Applicable	-
GRI 102-42	Identifying and selecting stakeholders	Our approach to sustainability - Stakeholder Engagement	6
GRI 102-43	Approach to stakeholder engagement		
GRI 102-44	Key topics and concerns raised		
Reporting Practice			
GRI 102-45	Entities included in the consolidated financial Statements	2017 Annual Report - Notes to the Financial Statements (Pages 75 – 87)	-
GRI 102-46	Defining report content and topic Boundaries	Our Approach to Sustainability - Materiality Review Process	7
GRI 102-47	List of material topics		
GRI 102-48	Restatements of information	About the Report - Reporting Scope	3
GRI 102-49	Changes in reporting	About the Report - Reporting Period	
GRI 102-50	Reporting period		
GRI 102-51	Date of most recent report		
GRI 102-52	Reporting cycle		
GRI 102-53	Contact point for questions regarding the report	About the Report - Feedback	
GRI 102-54	Claims of reporting in accordance with the GRI Standards	About the Report - GRI Guidelines	
GRI 102-55	GRI content index	GRI Index	12 – 14
GRI 102-56	External assurance	No external assurance will be sought for the FY2018 Sustainability Report	3

GRI Indicator	Disclosure	Report Sections	Page Reference
GRI 103: MANAGEMENT APPROACH			
GRI 103-1	Explanation of the material topic and its Boundary	Refer to the respective GRI indicators (Specific Standard Disclosures) in the GRI Content Index for more information	12 – 14
GRI 103-2	The management approach and its components		
GRI 103-3	Evaluation of the management approach		
SPECIFIC STANDARD DISCLOSURES			
Economic			
Economic Performance			
GRI 201-1	Direct Economic Value Generated and Distributed	2017 Annual Report - Financial Review (Pages 5 - 6)	-
GRI 203-1	Development and Impact of Infrastructure Investments and Services Supported	Economic Performance – Indirect Economic Impacts	9
GRI 204-1	Proportion of Spending on Local Suppliers at Significant Locations of Operations	Economic Performance – Procurement Practices	10
Anti-Corruption			
GRI 205-2	Communication and Training on Anti-Corruption policies and procedures	Business Integrity	8
GRI 205-3	Confirmed Incidents of Corruption and Actions taken	No reported incidents	8
Environment			
Energy			
GRI 302-1	Energy Consumption within the Organization	Environment – Energy Consumption	10
GRI 302-4	Reduction of Energy Consumption	Environment – Reduction of Energy Consumption	
Social			
Employment			
GRI 401-1	New employee hires and employee turnover	Social	11