

# Sustainability Report

Fragrance Group Limited (2017)



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## ABOUT THIS REPORT

GRI 102-46, 102-48, 102-49, 102-50, 102-51, 102-52, 102-53, 102-54

Fragrance Group Limited (hereinafter “Fragrance Group”) is pleased to present its inaugural Sustainability Report (“The Report”), developed in reference to Global Reporting Initiative (“GRI”) Standards 2016. For a full disclosure of the specific content aligned with GRI Standards, refer to the GRI Content Index shown on pages 37-39.

The Board of Directors (“The Board”) and the Sustainability Team are responsible for this Report, which aligns and complies with the Sustainability Reporting 2016 requirements of the Singapore Exchange (“SGX”), specifically Listing Rules 711A and 711B.

The Report covers a range of material Economic and Environmental, Social, and Governance (“ESG”) activities of Fragrance Group from 1 January to 31 December 2017. It covers performance derived from operating, managing, and constructing all residential, commercial, hotel, industrial, and investment properties owned by Fragrance Group, its subsidiaries, and joint ventures, inclusive of presence in three continents, i.e. Asia, Australia and Europe.

In Singapore, Fragrance Group’s property investment portfolio includes prime commercial properties situated in and near Singapore’s CBD, a unique seafront Food and Beverage outlets and an industrial building. In Australia, our property portfolio comprises of mixed-use developments, hotels, residential and commercial developments located in Melbourne, Perth and Tasmania. Our maiden hotel project, ibis Styles Hobart with 296 rooms, was completed in 2017 and has commenced operations. In the United Kingdom (“UK”), Fragrance Group’s property portfolio includes primarily hotels in key cities outside London, namely, Manchester, Liverpool, Torquay, Harrogate, Blackpool and Paignton.

In defining the Report’s content and the aspect boundaries, Fragrance Group identified, prioritised, validated and reviewed the principles of materiality, stakeholder inclusiveness, sustainability context and completeness through stakeholder engagement efforts varying in depth and mutual commitment, ranging from face-to-face meetings and emails/phone calls, to general meetings and formal announcements.

There is quarterly reporting on SGX-ST on Fragrance Group’s financial results and announcements concerning Fragrance Group’s business development. Fragrance Group is working towards developing an annual integrated report in the future. At this time, there are no reinstatements of information and changes from previous reports of Scope and Aspect Boundaries.

External independent assurance for this Report’s content has not been sought at this juncture. Digital preparation of this Report has been assisted by INHY Solutions Pte Ltd and 9212 Data LLC.

Fragrance Group continuously seeks to enhance principles of accuracy, balance, clarity, comparability, reliability and timeliness of its operational sustainability and reporting practices. We welcome feedback and suggestions for improvement.

In line with aspirations towards carbon neutrality, an electronic version of this Sustainability Report will be made available on the SGX-ST website.

## MESSAGE FROM THE BOARD

GRI 102-14

Dear Shareholders,

In 2017, Fragrance Group made several new milestones in our history as a property developer – we expanded our portfolio to the United Kingdom, where we acquired several assets in Blackpool, Torquay, Manchester, Liverpool, Harrogate and Paignton. We also completed the development of our very first hotel in Tasmania, Australia, which is currently operated under the ibis Styles brand by the Accor Group of hotels.

As we move from having a regional to international presence, we are aware that our actions will have an impact on the environments that we operate in – not only in Singapore, but in Australia and the UK as well. With our international presence, we strive to ensure that our sustainable development strategy will be coherent and implemented across different countries that will add value to our shareholders and stakeholders.

We are cognisant of how being an international organisation allows us to diversify our portfolio, but yet are aware of how we are now more exposed to local geopolitical developments. We understand the need to be resilient regardless of the climate in Singapore, Australia and the UK, and at the same time, acknowledge that we have a part to play in imparting such resilience to the communities that our actions have an impact on.

We know that human capital is the key of any successful organisation and have thus supported our employees' endeavours in upgrading their skillsets. Fragrance Group has in place a Study Scheme for employees undertaking further education, which allows employees to arrange a flexible working hour schedule with their supervisors so that they can pursue higher education. Fragrance Group also sends its employees to further training and development so that they are kept aware of upcoming trends in the market.

We are also committed to increasing operational efficiency by embracing new technologies. Fragrance Group implemented a new property management system in 2017 to enable itself to better manage its numerous properties digitally in Singapore and abroad.

As our company heads towards the global horizon, we know that our success in the long run is premised on having a team of good professionals and employees steering the company towards a more sustainable outlook. We hope our shareholders will share our commitment in providing a sustainable future to the communities that we operate in and to give a better tomorrow to our next generation.

**CEO & Chairman of the Board**

Koh Wee Meng



## ABOUT THE ORGANISATION

GRI 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, 102-8

Fragrance Group Limited (UEN No. 200006656M) is a property developer with its core business activities being the development of residential, commercial, hotel and industrial properties. Other activities of Fragrance Group comprise the holding of investment properties and hotel operations. Fragrance Group's headquarters are located in Singapore and we have significant presence in three countries, being Singapore, Australia and the United Kingdom. In Australia, Fragrance Group's presence is felt in numerous cities such as Perth (Western Australia), Melbourne (New South Wales), Hobart (Tasmania) and Launceston (Tasmania). Fragrance Group has also acquired numerous properties in the United Kingdom in several cities and towns such as Torquay, Manchester, Blackpool and Liverpool.

As a property developer, Fragrance Group acquires properties for either development or investment purposes. We then engage several contractors to develop the properties and upon completion, Fragrance Group sells both residential and commercial units to consumers and investors. Furthermore, Fragrance Group manages several commercial properties in Singapore and leases units in these commercial properties to companies, organisations or sole proprietors. Fragrance Group also owns hotel properties in the United Kingdom and Australia, where we own the real estate and the operations are managed by renowned hotel operating companies.

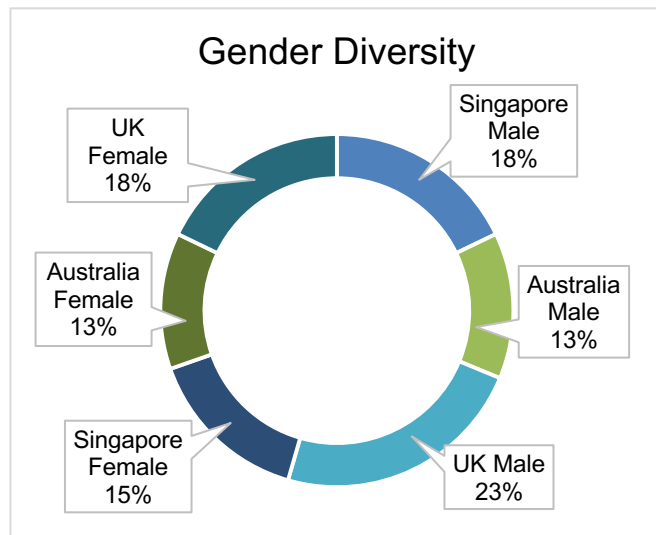
Fragrance Group is a holding company that owns several subsidiaries across Singapore, Australia and the United Kingdom. As Fragrance Group is a publicly listed company on the SGX-ST, Fragrance Group's shareholding is owned by the public. We have currently more than 100 employees in the three markets that it is present in. Information on Fragrance Group can also be found in its Annual Report 2017, made available on the SGX-ST website.

### *Diversity in Fragrance Group Limited*

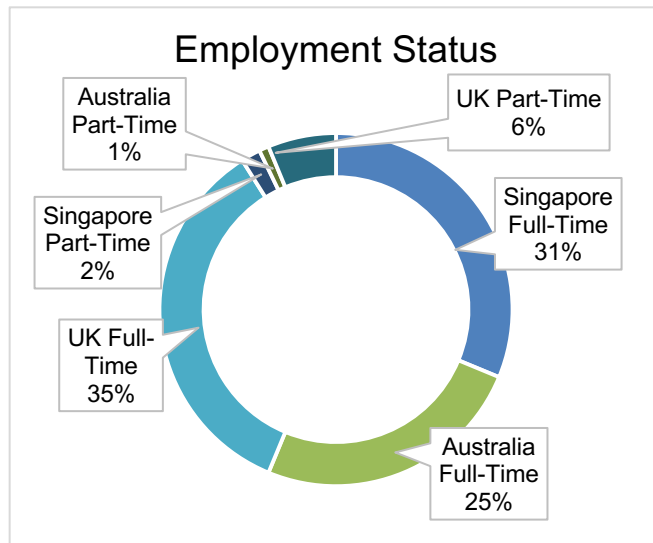
Fragrance Group is a company with an international outlook. We are supportive of diversity in cultures, nationalities and gender, while at the same time, are aware of the need to support local communities. We respect people as individuals, value their differences and strive to maintain inclusivity within its workplace culture to expand the benefits beyond our staff and customers to groups that are underrepresented in the workforce.

By this, we endeavour to achieve flexibility and fairness in our working environment as well as promote personal and professional growth benefiting from the various capabilities offered by its diverse workforce. We are actively pursuing inclusivity and diversity by offering equal opportunity for employment regardless of personal identity choices or characteristics.

At our headquarters, at least 45% of our workforce are women. In our overseas



operations, 48% of our workforce are women in Australia, while 43% of our workforce in the UK are women.

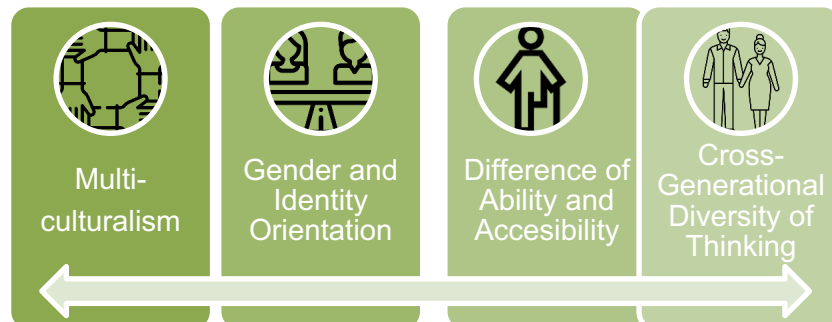


Fragrance Group is likewise committed to retaining employees for the long run. We believe in full-time employment as this will give employees a sense of belonging and will allow employees to fully develop their careers at Fragrance Group. Most of our workforce are full-time employees; while 6% of our workforce in the UK are part-time employees, less than 5% of the workforce in Australia and Singapore are part-time employees.

Furthermore, we assign responsibilities to our employees and business unit to implement, monitor and report on their

achievements within the area of diversity. Cultural events should be celebrated as requested nationally or as appropriate, and all employees are encouraged to support and respect equality, workplace diversity, ethical practices, workplace safety and help prevent unlawful discrimination and harassment.

We will strive towards our goals of having a more diverse yet inclusive workforce, with people from all nationalities, age groups, gender and all walks of life. Four specific programs/initiatives are highlighted as areas to maintain leadership focus on each calendar year:



## SUSTAINABILITY STATEMENT

GRI 102-11, 102-16, 102-46

Fragrance Group is a property developer established in the mid-1980s and is currently present in three continents: Asia, Australia and Europe. We have been listed on the SGX-ST's main board since 3<sup>rd</sup> of February 2005 and our market capitalisation exceeded \$1 billion in 2017. Fragrance Group has successfully delivered a number of residential, commercial, hotel and industrial developments and is also successfully engaged in the holding of investment properties and hotel operations. We aspire to instill the sense of hospitality and service in our customers to develop their reputation worldwide. To achieve that, we have set six core values that guides our leadership and actions, and which are expected to be understood and embodied in every employee's (at all levels) behaviour every day:

1. **Guest Passion:** customers are the drivers of decisions and actions
2. **Sustainable Performance:** creating value for as many as possible over the long term
3. **Spirit of Conquest:** expanding internationally to serve customers in different places
4. **Innovation:** willing to try, test and learn from new ideas to better serve customers
5. **Trust:** transparency about and commitment to deliver the best services
6. **Respect:** taking pride in the differences in cultures and individuals and caring for the planet

We maintain emphasis on the precautionary principle – which places a set of standards, comprising of eight principles, as follows:

1. **Honesty and Integrity:** an essential part of our long-term success lies in building our reputation and good standing as a brand and this has been an integral element in our success. To maintain this principle, we expect our members to be honest and transparent when carrying out their duties and to always do what is right regardless of the pressure that they are under. Members are also expected to maintain a professional image representing Fragrance Group at all times, maintain complete and accurate records to be presented when requested, ensure that all actual or potential conflict of interests are avoided and in the event of any mistakes, report such issues as soon as possible to their supervisor to resolve it as quickly as possible.
2. **Decency and Respect:** to build good working relationships, people should treat each other with decency and respect at all times. To ensure this principle is preserved, members should treat people they meet with decency, respect and fairness, should never bully, harass or discriminate against anyone, take into consideration the local customs, cultures, business practices and laws of the countries and regions in which operations are being carried out and the people with whom business is being conducted, advocate and value equality and diversity of people, clients and customers within the business.
3. **Delivering Outstanding Customer Service:** professionalism and top-notch service play a critical role in the success of Fragrance Group. To deliver outstanding customer service, members should value their customers and clients at all times, restricting their promises to what they can deliver within their best efforts, limits and restrictions such as authorisation and timeframe, show full dedication to the team and Fragrance Group, show up punctually to work to avoid inconveniences and maintain a professional look at all time.



4. **Respecting the Law and Following Company Policies:** Fragrance Group is committed to operating at the highest of standards and therefore, strictly complies with the laws, regulations and policies of the countries Fragrance Group operates in. To achieve compliance, members should ensure compliance with the Singaporean laws and those of other regions where Fragrance Group is operating in.
5. **Workplace Health, Safety and Wellbeing:** ensuring the safe return of every worker back home irrespective of where they work. To ensure workplace health, safety and wellbeing, members are required to acknowledge that they are responsible for their own health and safety and that of their colleagues, clients, customers and stakeholders. Members are also required to adhere to all the instructions, training, policies and procedures provided by Fragrance Group and its managers, inform the managers of any risk on people's health and any incidents, including near misses, stop any work seeming unsafe, wear all required safety equipment without exceptions, always be completely sober at work, avoid smoking or vaping unless in smoke designated areas and never bring any dangerous or unauthorised equipment, items or weapons to an associated business.
6. **Conflicts of Interest:** this is when the decision-making process/ability is affected, appears to be affected or has the potential to be affected by a personal interest or action, which can jeopard the integrity of Fragrance Group. To avoid such conflicts, members are to inform managers about any situation that can put in state of conflict of interests, obtain the manager's approval prior to commencing any work outside of Fragrance Group, not pursue personal business related to their work, avoid accepting or seeking benefits, gifts, services and/or favours from third parties pertaining to their employment with Fragrance Group, unless it is in accordance to the Fragrance Group's Gifts Policy and accept entertainment only when it is common business practice in the region that they are operating in.
7. **Privacy and Confidentiality:** Fragrance Group respects privacy and maintains confidentiality insofar where they are required by law to do so. Members of Fragrance Group are expected to comply with local data protection laws and protect privacy and confidentiality by collecting confidential and private data only needed to and with accuracy, accessing or disclosing private or confidential data only for the purpose it was collected for and never for personal gain, disclosing other employees' private or confidential information only when authorised or instructed, in writing, by the concerned person or authority or when they are required to comply by law.
8. **Use of Company and Other Resources:** members should not use the company and its clients' resources for personal gain and should only use such resources within the limits of their responsibilities. Fragrance Group requires its members to care for and respect the company and its clients' resources, be meticulous and careful when handling the company's and its clients' assets to avoid loss, damage, misuse, or theft, and notify their managers of any incidents of misuse of the company's or clients' resources when aware of any.

In the case of a breach of the Code of Conduct, Fragrance Group will conduct an investigation during which the suspected personnel may be suspended from his or her duties. These investigations can be referred to external agencies in cases of crime and corruption, towards which Fragrance Group maintains a zero-tolerance policy. Disciplinary action may result in the termination of employment and depending on the severity of the breach of the Code of Conduct, further action may be taken by reporting to the relevant governmental if the breach constitutes illegal activity.

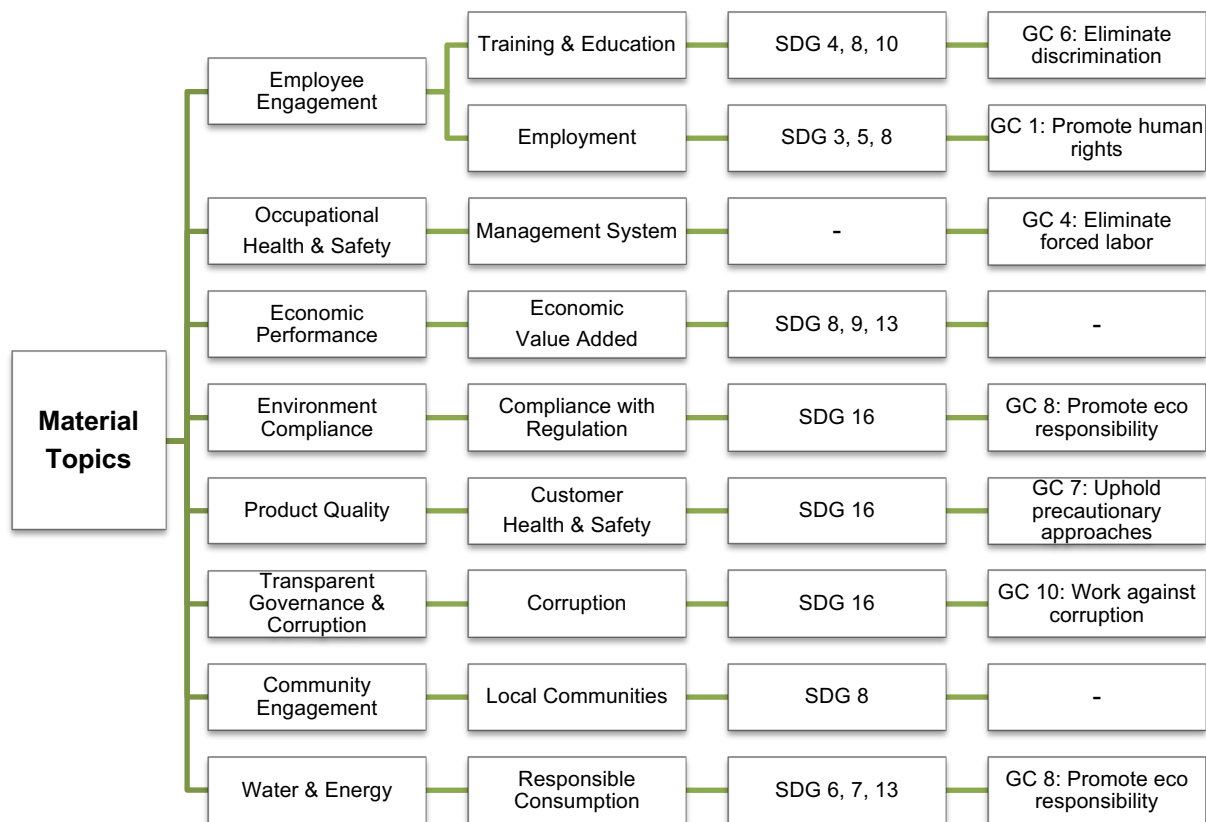
When reporting its financial statements and yearly economic achievements, Fragrance Group's consolidated financial statements are drawn up in accordance with the provisions of Companies Act, Chapter 50 and the financial reporting standards in Singapore. As for internal auditing, Fragrance Group outsourced the internal audit function to a professional auditing firm in Financial Year 2017.

### *Fragrance Group Limited within the larger Sustainability Context*

Fragrance Group's commitment to sustainability is guided by the global 2030 Agenda, which has since yielded the Sustainable Development Goals ("SDGs"). We are careful to ensure that while the needs, concerns, and expectations of our internal and external stakeholders are reflected in corporate strategy and its implementation, such a strategy must pursue the SDGs and acknowledge the UN Global Compact Principles' intentions for responsible behaviour.

Fragrance Group's sustainability goals are developed to ensure alignment and compliance with current regulations and laws. In our policies, programs, and operations, we communicate diligent respect for the precautionary approach, and have begun tracking energy and water consumption and waste production to observe trending emissions for a representative sample of properties. With this information, we hope to reduce our environmental footprint in the future.

We impact the real estate and property development industry by contributing to local economies and communities – we believe in the importance of mitigating our negative and enhancing our positive influences, while building a foundation of trust as a sustainable business.



The full list of UN SDGs and further information are available online at [www.un.org/sustainabledevelopment/sustainable-development-goals/](http://www.un.org/sustainabledevelopment/sustainable-development-goals/)

## COMMITMENT TO SUSTAINABILITY

GRI 102-9, 102-10, 102-12, 102-13

As a property developer, we work with many different suppliers to ensure the smooth running of our investment properties, and work with a wide range of professionals, contractors and suppliers when developing properties for sale or for future investment purposes. We have approximately 812 suppliers across three regions, with the UK having the largest number of suppliers at 369. As a company supportive of local growth and development, many of our suppliers, vendors and professionals that we work with are locally based; this also helps to reduce environmental impact while promoting local talent.

Our two key income revenue divisions in Singapore – the property development arm and the investment arm – have differing amounts of suppliers. For the property development arm in Singapore, the greatest number of suppliers are those that engage in sales & marketing services, followed by showflat related suppliers. These two types of suppliers account for approximately 52% of all suppliers for the Singapore property development arm. As for investment properties in Singapore, the largest number of suppliers are those that provide building maintenance and related products or services, of which this single type of supplier comprises approximately 44% of all suppliers in the investment arm. For our overseas operations in Australia, we have approximately 109 suppliers in our property development arm and approximately 79 suppliers for hotel operations. In the UK, where Fragrance Group's operations has only included hotel acquisitions for investment purposes thus far, all of the 369 suppliers provide products or services for either hotel operations or hospitality investment.

We are planning initiatives to rank and streamline our suppliers to ensure that this fits into our overall sustainable development strategy plan. This includes requiring each regional unit to not only identify the number and type of suppliers, but also study whether these suppliers take actions to mitigate or reduce any negative environmental impact that they cause. Currently, while we have identified the number and type of suppliers, we have yet to systematically check each supplier's sustainable track record. Our findings and impact of our new initiatives are planned to be reported in our next sustainable development report for 1 January 2018 to 31 December 2018.

### *Awards & Recognition of Sustainability Initiatives*

We assure that most of our properties are BCA Green Mark certified, with an eye towards carbon neutrality. Also, we did achieve property design awards. The most notable of which was the Gold Winner Award received in 2015 for City Design Awards in Melbourne for the Premier Tower. Premier Tower is an environmentally self-sustaining structure dedicated to retail, office space, hotel rooms and apartments.





## SUSTAINABILITY GOVERNANCE

GRI 102-18, 102-45

### *Sustainability Governance Structure*

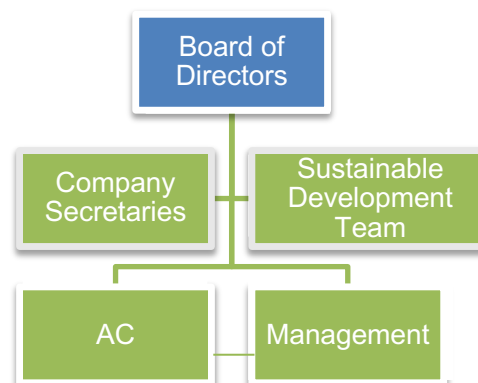
Fragrance Group is headed by a Board that leads and controls the company. The Board comprises three executive and three independent non-executive directors. Besides its statutory responsibilities, the Board's main duties include:

1. Providing entrepreneurial leadership, assist with key matters relating to the review and approval of strategic direction, material acquisitions and disposal of assets, and ensure that the company has the necessary financial and human resources to achieve its objectives;
2. Reviewing the Company's risk management to ensure its adequacy and effectiveness and that the Management maintains a sound system of internal controls (including financial, operational, compliance and information technology) to safeguard the interests of shareholders and the assets of Fragrance Group;
3. Overseeing the conduct of Fragrance Group, evaluate the progress of the business, and review the performance of the Management in meeting the agreed upon goals and objectives;
4. Reviewing management reports and accounts on a regular basis to monitor Fragrance Group's performance, position and prospects; and
5. Deliberating over sustainability issues such as environmental and social factors as part of its strategy formulation.

Assisting the Board are the Company Secretaries.

Their role includes, but is not limited to, advising the Board on its effective functioning, compliance with Fragrance Group's Constitution and relevant regulations, and requirements of the Companies Act, the Securities and Futures Act and the SGX-ST Listing Manual. They further assist the Board with the implementation and improvement of the policies and procedures for better corporate governance. The Company Secretaries also facilitate, under the Chairman's Direction, the information flow to and within the Board and its Committees and between the

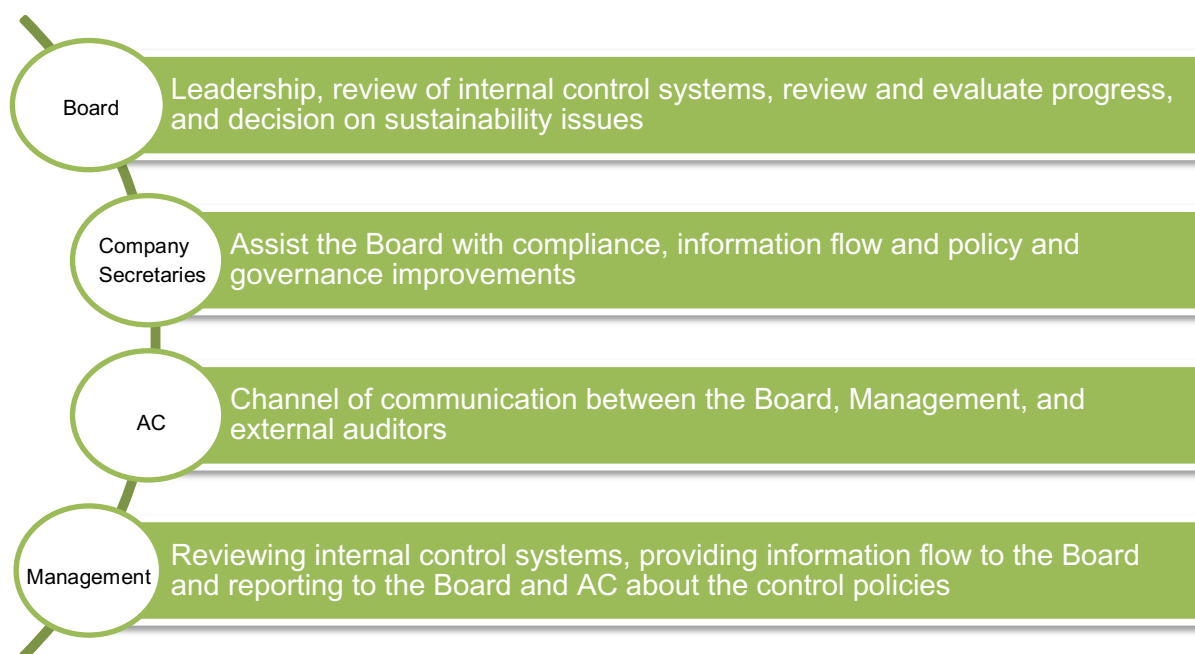
Management and Non-Executive Directors. Furthermore, the Company Secretaries ensure that the Board's procedures are being executed properly and that all relevant rules and regulation are complied with through separate and independent accesses to all the Directors.



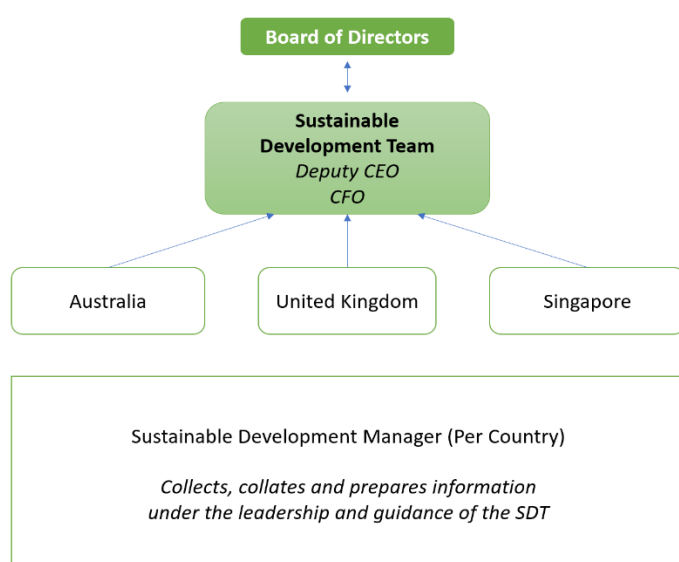
The Board is independently responsible for the business affairs of Fragrance Group and exercises due diligence in dealing with them. It also works with the Management, which is accountable to the Board, to decide on the course of action in Fragrance Group's interest. The Management ensures the effective discharge of the Board's duties by providing a continual flow of the necessary information in a timely fashion. The Management is also responsible for the review of the major control policies and procedures and reporting of significant matters to the Board and the Audit Committee ("AC").

The AC is one of the three Board Committees established by the Board. The AC consists of members that are highly experienced in accounting and related financial management field.

Its main objective is to provide a channel of communication between the Board, the Management and external auditors on audit matters. It also assists the Board by taking on the responsibility of safeguarding the assets of Fragrance Group, maintain needed accounting records and ensure that the Management is sustaining an effective control environment by developing and maintaining effective internal control systems. The AC oversees Fragrance Group's risk management and framework.



The Sustainable Development Team (SDT), which directly communicates with the Board of Directors, is in charge of leading the organisation in spearheading and implementing the firm's sustainable development strategy, including:



- Advising the Board of Directors on strategies that are best suited to Fragrance Group and stakeholder groups' concerns;
- Developing and discussing with consultants on a strategy for Fragrance Group;
- In charge of implementing and supervising the resulting strategy across Fragrance Group's key market jurisdictions; and
- Overseeing the preparation of reports concerning sustainable development impact assessment and sustainability reporting.

The list of Fragrance Group's entities and shareholding are reported in the Annual Report FY2017. As far as the Directors of Fragrance Group are aware, there are no entities included in the organisation's consolidated financial statements or equivalent documents that are not covered by the report.

## STAKEHOLDER ENGAGEMENT

GRI 102-40-, 102-41, 102-42, 102-43, 102-44

Fragrance Group worked to formally identify key stakeholder groups, both internal and external, which possess significant influence and have a vested interest in Fragrance Group's ESG performance and financial sustainability. Based on decision-making capacity, responsibility, dependency, and proximity, Fragrance Group has narrowed down the following main stakeholder groups as illustrated in the diagram on the right. Attempts in good-faith have been made to pursue equal representation in each of its region of operations: Singapore, United Kingdom and Australia.



As far as the Directors of Fragrance Group are aware, there are no employees covered by collective bargaining agreements in 2017.

### *Approach to Stakeholder Engagement*

In line with the GRI Standards 2016 and SGX Sustainability Reporting requirements, Fragrance Group agrees that timely and productive engagement with key stakeholder groups will facilitate our market competitiveness and the effective implementation of operational strategies by understanding their concerns and expectations as the main beneficiaries.

We keep diligent records of the number of stakeholders in our internal and external relationships. They are as follows:

|                              | Singapore    | Australia       | United Kingdom |
|------------------------------|--------------|-----------------|----------------|
| <b>Board of Directors</b>    | 6            | -               | -              |
| <b>Investors</b>             | 3,289        | -               | -              |
| <b>Bankers</b>               | 6            | -               | -              |
| <b>Senior Management</b>     | 2            | 1               | 1              |
| <b>Employees</b>             | 37           | 29              | 46             |
| <b>Property Managers</b>     | 5            | 2               | 1              |
| <b>Contractors/Suppliers</b> | 255          | 80              | 340            |
| <b>Estimated Customers</b>   | ~158 Tenants | ~121,500 Guests | ~92,000 Guests |

In the process of conducting a valid materiality assessment, it was noted that while various internal engagement efforts have proven effective, communication coherence and consistency (e.g. maintaining bidirectional channels for external stakeholders) has been designated as the next area of improvement going forward. Therefore, a roadmap is in the works, the results of which will feature in our Sustainability Report 2018. Fragrance Group proudly maintains a culture of learning, adapting and improving across all activities and operations.



|                                    |  |
|------------------------------------|--|
| <b>Board of Directors</b>          | <p><b>Internal</b> - Ensure executive leadership and adequate resources to address stakeholder concerns &amp; financial sustainability.</p> <ul style="list-style-type: none"> <li>•Board meetings (quarterly), Annual General Meeting</li> <li>•Top 3 Concerns: Transparent Governance, Environmental Compliance, Employee Engagement</li> </ul>  |
| <b>Senior Management</b>           | <p><b>Internal</b> - Ensure effective and efficient leadership of organizational teams, meeting quarter and annual objectives.</p> <ul style="list-style-type: none"> <li>•Face-to-face meetings (continuous), Emails and phone calls (continuous), Training (as required) Annual General Meeting</li> <li>•Top 3 Concerns: Economic Performance, OHS, Employee Engagement</li> </ul>                  |
| <b>Employees</b>                   | <p><b>Internal</b> - Ensure health &amp; safety, competencies, welfare, and professional development fundamental to operational effectiveness.</p> <ul style="list-style-type: none"> <li>•Face-to-face meetings (continuous), Training (as required), Performance reviews (annually)</li> <li>•Top 3 Concerns: OHS, Product Quality, Employee Engagement</li> </ul>                                   |
| <b>Investors</b>                   | <p><b>External</b> - Ensure shareholder returns, build a network of capital partners, maintain good corporate governance &amp; communications.</p> <ul style="list-style-type: none"> <li>•Face-to-face meetings (continuous), Annual General Meeting, Regulatory Announcement on SGX (as required)</li> <li>•Top 3 Concerns: Economic Performance, Product Quality, Transparent Governance</li> </ul> |
| <b>Bankers</b>                     | <p><b>External</b> - Ensure transparent communication of business and construction plans.</p> <ul style="list-style-type: none"> <li>•Face-to-face meetings (continuous), Emails/phone calls (periodically), Annual General Meeting, Regulatory Announcement on SGX (Quarterly)</li> <li>•Top 3 Concerns: Economic Performance, Transparent Governance, Corruption</li> </ul>                          |
| <b>Community</b>                   | <p><b>External</b> - Ensure the safety of communities who use/visit our properties</p> <ul style="list-style-type: none"> <li>•Emails and phone calls (periodically)</li> <li>•Top 3 Concerns: Product Quality, Community Engagement, Corruption</li> </ul>  |
| <b>Property Managers</b>           | <p><b>External</b> - Ensure the knowledgeable and responsible management of all properties under organizational ownership.</p> <ul style="list-style-type: none"> <li>•Face-to-face meetings (periodically), Emails and phone calls (periodically)</li> <li>•Top 3 Concerns: Energy, Water, Economic Performance</li> </ul>  |
| <b>Customers</b>                   | <p><b>External</b> - Ensure customers quality homes and business spaces to our homebuyers and tenants.</p> <ul style="list-style-type: none"> <li>•Contact through sales representatives (periodically), Brochures and advertisements (continuous), Emails/phone calls (periodically)</li> <li>•Top 3 Concerns: Product Quality, Economic Performance, Corruption</li> </ul>                           |
| <b>Contractors &amp; Suppliers</b> | <p><b>External</b> - Ensure construction compliance with industry safety standards and sustainable building methods.</p> <ul style="list-style-type: none"> <li>•Face-to-face meetings (continuous), Emails/phone calls (periodically)</li> <li>•Top 3 Concerns: OHS, Environmental Compliance, Product Quality</li> </ul>   |

## MATERIALITY ASSESSMENT

GRI 102-47

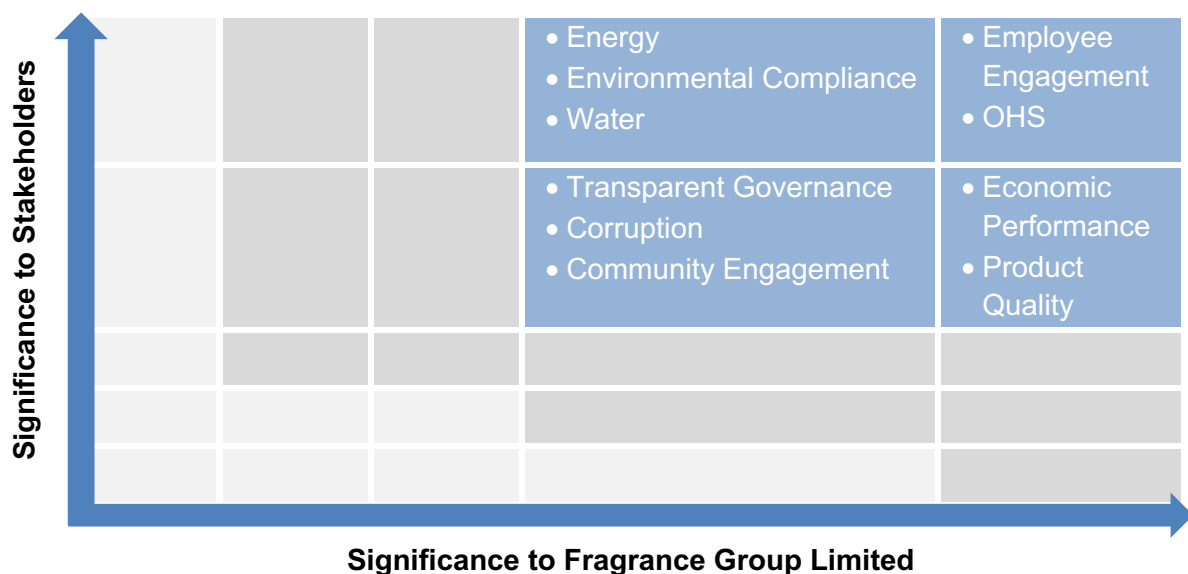
In line with SGX-ST's Practice Note 7.6 Sustainability Reporting Guide, specifically 4.2-4.6, a materiality assessment was conducted to identify and prioritise key ESG aspects and indicators relevant in the context of our value/supply chain and its interaction with physical, social, and economic environments.

Led by Fragrance Group's Sustainability Team, and guided by external sustainability consultants, the assessment involved formally surveying key stakeholders to understand which topics were material to their decision-making, vested interests, concerns and expectations.

A number of stakeholders did respond; however, the quantity was not statistically significant for the foundation of Fragrance Group's materiality assessment. Despite documented good-faith efforts to follow-up, there was ultimately insufficient responses. Consequently, the following material topics were observed through the meta-analysis of 33 GRI Standards or G4 (CORE) reports produced between 2013-2017 by 21 real estate companies operating in Singapore.

Going forward, Fragrance Group intends to refer to the SASB standards to anchor the identification and prioritisation of material ESG topics and integrating them with GRI Standards indicators, thereby adopting an inclusive and valid industry-specific approach. Additionally, a strong phased-improvement roadmap is being finalised to develop a materiality assessment and stakeholder engagement mechanism which accurately reflects the expectations and concerns of Fragrance Group's internal and external stakeholders. We will be pleased to share the results in the second Sustainability Report 2018, which is due to be released in 2019.

GRI Standards' definition of "Materiality" emphasises topics selected that possess significant impacts on financial decision-making, as well as broad upstream and downstream social and environmental consequences as determined by our stakeholders. With an eye towards the materiality principle, Fragrance Group believes the following material topics represent a balanced view of its ESG performance in 2017.



| ESG Material Topic              | Category                         | Indicator      | Aspect Boundary                                | Link to UN SDGs |
|---------------------------------|----------------------------------|----------------|--|-----------------|
| <b>Employee Engagement</b>      | 404 Training & Education         | 404-1          | Within organisation                            | SDG 4, 8, 10    |
|                                 |                                  | 404-2          |  | SDG 8           |
|                                 |                                  | 404-3          |  | SDG 8           |
|                                 | 401 Employment                   | 401-2<br>401-3 | Within organisation                            | SDG 3, 5, 8     |
| <b>OHS</b>                      | 403 Occupational Health & Safety | 403-1          | Within organisation, suppliers and contractors | -               |
| <b>Economic Performance</b>     | 201 Economic Performance         | 201-1          | Within organisation                            | SDG 8, 9, 13    |
| <b>Energy</b>                   | 302 Energy                       | -              | Properties, tenants                            | SDG 7, 13       |
| <b>Environmental Compliance</b> | 307 Environmental Compliance     | 307-1          | Properties                                     | SDG 16          |
| <b>Product Quality</b>          | 416 Customer Health & Safety     | 417-2          | Properties                                     | SDG 16          |
| <b>Water</b>                    | 303 Water & Effluents            | -              | Properties, tenants                            | SDG 6, 13       |
| <b>Transparent Governance</b>   | 205 Anti-Corruption              | -              | Within organisation                            | SDG 16          |
| <b>Corruption</b>               | 205 Anti-Corruption              | 205-3          | Within organisation                            | SDG 16          |
| <b>Community Engagement</b>     | 413 Local Communities            | -              | Outside organisation                           | SDG 8           |

Fragrance Group believes that responsible corporate behaviour must be regarded in connection with the broader sustainability context. Therefore, the identified material topics are uniquely tied to the United Nations 2030 Agenda's Sustainable Development Goals, with the implication that under the UN Global Compact principles, good ESG performance is contributing to the advancement of the delineated SDGs.

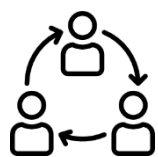


As the Report is written referencing select components of GRI Standards framework, not all ESG material topics will be associated with GRI indicators as means of ascribing 2017's performance; instead, they will be addressed in other areas, e.g. Water and Energy usage are disaggregated within property boundaries within the Property Showcase. Please refer to the GRI Content Index shown on pages 37-39 to understand where each ESG material topic is addressed.



## EMPLOYEE ENGAGEMENT

GRI 404-1, 404-2, 404-3, 401-2, 401-3



Fragrance Group believes in the value of our employees as core drivers of operational strategy, who are key in furthering our business and sustainability goals. Their technical capacity and development are important to maintaining our high standard of human and intellectual capital in our operations.

### Quantitative Hours of Training

Representing our culture of continuous, and incremental improvement, we embrace training opportunities to nurture our employees' intrinsic motivation and capabilities that will enhance personal traits. Starting 2017, we are working to measure the average hours of training undertaken by gender and employment category, disaggregated by region. The development of quality-oriented indicators will follow in the coming years as our reporting practices mature.

"Employees are a company's lifeline. **Their concern is our concern, their wellbeing becomes our wellbeing.**"

### Opportunities for Internal Training

Due to the differing needs of our regional stakeholders, the type and scope of our internal training programs provided to improve employee capacity will vary.

In the UK, team leaders' performance and technical skillsets are reviewed every three months according to succession planning. They are further ranked methodically according to role and future progression, with respect to the opening of new roles. Department heads report on a monthly basis on specific KPIs aligned with respective department objectives. Such strategy allows the department's team members to qualify for performance-based bonuses, incentivising efficiency, effectiveness and overall career growth for our employees.

Our employees in the UK are primarily engaged and trained through our *SMILE Platform*, which is a RBH intranet platform that provides and encourages skills improvement through e-

#### Singapore

- **Gender**
  - Men: 9 Hours,
  - Women: 16 Hours
- **Employment**
  - Executive: 15 Hours
  - Management: 9 Hours
  - Regular: 2 Hours

#### Australia

- **Gender**
  - Men: 8.9 Hours
  - Women: 6.9 Hours
- **Employment**
  - Executive: 10.3 Hours
  - Management: No individuals
  - Regular: 2.7 Hours

#### United Kingdom

- **Gender**
  - Men: 12.1 Hours
  - Women: 37.8 Hours
- **Employment**
  - Executive: 33.9 Hours
  - Management: 9.8 Hours
  - Regular: 6.9 Hours

learning modules. For instance, for the legal compliance team, the e-learning module on due diligence is particularly relevant.

There are 141 modules that team members can request to complete or be nominated for. All team members have the opportunity for development right up to Operations Management level, after which project experience has shown to be more important.

In Australia, there is compulsory internal training as part of the on-boarding process, with an emphasis on responsible property management, customer service, and administration. Additionally, at our Ibis Styles hotel locations, we have *AccorHotels Academie (AHAcademie)*, a licenced training tool, available to staff for participating locations. *AHAcademie* has over 250+ training modules, 3+ million hours of training, and can claim 91% of employees trained.

### *Opportunities for External Training*

Our Singapore regional office excels in offering funding support for external training and education, particularly to service the majority of its employees working in property management roles, for example the health and safety training protocol in the event of emergencies. A current, non-exhaustive list of external training opportunities are as follows:

| Training                                     | Role                                      | Objective  | Improvements  |
|--|---|--|---|
| <b>First Aider, CPR and AED Course</b>       | Property Management<br>Finance            | First aid knowledge with Cardiopulmonary Resuscitation (CPR) practice and usage of Automated External Defibrillator (AED); Compliance with safety regulation | Staff are equipped with critical knowledge and confidence to effectively manage an emergency without fear or confusion.                           |
| <b>Fire Safety Manager Course</b>            | Property Management                       | Compliance with regulations  | Provide staff with knowledge on fire safety, fire protection and fire-fighting facilities in order to perform the roles as a Fire Safety Manager. |
| <b>Fire Safety Manager Briefing</b>          | Property Management                       | Updates on current issues  | Keep staff updated with current knowledge, regulations in order for staff to manage and ensure safety of occupants.                               |
| <b>Implement Incident Management Process</b> | Property Management<br>Project Management | Skills and knowledge required to implement the incident management process during an emergency incident in a process facility.                               | Staff are equipped with critical knowledge and confidence to effectively manage an emergency without fear or confusion                            |
| <b>Respond to Fire</b>                       | Property Management<br>Finance            | Prepares the company's Emergency   | Staff are equipped with critical knowledge and confidence to effectively manage, control and  |

|   |                    |   |  |
|---|--------------------|---|--|
| <b>Emergency in Buildings</b>           | Project Management | Response Team members (CERT) with the knowledge and application skills to function as a member of an emergency response team in order to implement the emergency response skills during an emergency incident in building | minimise injuries and life loss during an emergency. Ensuring safety of the employees and occupants of the building. |
| <b>MRI Training (Accounting Module)</b> | Finance            | Understand and master new accounting system   | Improve financial reporting and efficiency of finance team in capturing financial information and improve workflow.  |
| <b>HRMS Leave and Payroll</b>           | HR                 | Understand and master new leave and payroll system  | Improve payroll processing and efficiency in workflow  |

In Australia, similar external training is provided in line with the necessities of hotel operations, including first aid training and fire warden training. In the UK, the diversity of our team there necessitates accounting courses, social media use and engagement, as well as standard first aid training.

#### *Post-Employment Transition Assistance*

In the UK, in compliance with human resources regulation, the regional office provides severance pay if the reason for unemployment is redundancy. Additional support with job placement services (through local job centres) is well-served in Blackpool. Hotels owned by Fragrance Group also offer back-to-work programs, mock interviews, work trails, etc to support the changing nature of the tourism and hotel management industries that we participate in significantly.

We feel privileged to say that we do provide confidential counselling support helpline through either the HR department or through RBH because we recognise that transitioning out of a career can prove both mentally and physical taxing. Retirement planning and re-training services are offered on a good-faith, case-by-case basis specially to reward employees who have been with Fragrance Group or employed at owned properties for decades.

Currently, in Singapore and Australia, there are no transition assistance programs post-employment. We also do not provide sabbatical periods. We are however studying how such assistance programs will be received by our employees in these regions.

#### *Employee Performance Review*

In line with good corporate behaviour and governance, Fragrance Group makes significant efforts to provide regular performance and career development reviews, which we consider vital for our employees' reflection upon any gaps in their technical and personal capacity which we help to rectify. In United Kingdom, 49% of regular employee levels and 35% of executive employee levels receive performance reviews, which disaggregate into 37% of male and 39% of female employees.

We are proud to say that 100% of men and women as well as 100% of all regular, management and executive levels receive regular performance and career development reviews in both Singapore and Australia. It is important to note that there is no management employee level in Australia.

### *HR Policies: Parental Leave, Health Insurance, Retirement Provision*

Fragrance Group has a variety of complementary and generous human resource policies, which depends on the “employment distance” of the employee to the central organisational corporation. If the employee is retained under the hotel property owned by Fragrance Group, the hotel’s own HR policies would supersede that of ours.

At Fragrance Group, we believe that caring for what is important to our employees helps us build unity, uphold values of loyalty and commitment, all of which contribute to a strong culture of productivity and workplace morale. Our parental leave policies are in line with what Singapore law and regulation consider appropriate leave remuneration.



#### **Maternity Leave in Singapore**

Employee who has served the company for a continuous period of at least 3 months before childbirth will be entitled to:

- ~ 16 weeks paid maternity leave if the child is a Singapore citizen.
- ~ 12 weeks (8 weeks paid leave and 4 weeks unpaid leave) if the child is not a Singapore citizen or the employee is a Foreigner/non-citizen.



#### **Paternity Leave in Singapore**

2 weeks paid paternity leave if the child is a Singapore citizen and legally married to the child’s mother and employee has served the company for a 3 continuous months.



#### **Childcare Leave in Singapore**

Employee who has served the company for a continuous period of at least 3 months before the child birth, will be entitled to:

- ~ 6 days (paid leave) if the child is below 7 years old and is a Singapore citizen.
- ~ 2 days (paid leave) if the child is below 7 years old and is a non-Singapore citizen.
- ~ 2 days extended childcare leave if the youngest child is between 7 and 12 years old and is a Singapore citizen.

In Australia, our policies vary according to what regional law and regulation consider appropriate. Parental leave is available to employees employed for one year, provided such employees can provide evidence of parental responsibility and can show legal custody. They are entitled to unpaid parental leave of 18 weeks for each child, with the right to return to the same or similar job with same or better terms and conditions. While leave should be taken in blocks of one week, if the child qualifies for disability, leave can be taken as single days or in multiples of a day.



While all eligible employees were entitled to parental leave, there were no employees in the Singapore and Australia regional offices who applied or were eligible. In the UK, three women left for maternity leave and returned to work in 2017 after parental leave ended. All three women were still employed 12 months after their return to work.

To ensure the health and wellbeing of our employees, we ensure that there are multiple forms of medical benefits and insurance. Our umbrella policy allows all employees a medical card which secures access to a panel of excellent clinics. Medical consultation fees are entirely borne by Fragrance Group if the total consultation fees do not exceed the annual allotted limit for medical expenses. Other forms of insurance include the following and can be applied for without discrimination provided eligibility requirements are met.



Retirement provisions are important to reward loyalty to employees at Fragrance Group as well as ensure the proper treatment of our employees after their tenure with us. The policies vary regionally in compliance with local laws and regulations and are as follows:

| Australia   | United Kingdom  | Singapore   |
|---|---|---|
| A policy called Super Guarantee for Fragrance Group to contribute monies into an account which is managed by a super fund. The formula is currently 9.5% of the employee's income, including bonuses, commissions and loadings. | A policy called Workplace Pension Scheme for eligible employees who opt-in. The employee pays 3% of the salary and the company 2% additional. | A designated contribution to the Central Provident Fund Board but the contributed % by Employer vs Employee varies according to the Employee's age as per the Singapore's Central Provident Fund's rates. These rates are made available at the Central Provident Fund's website at <a href="http://www.cpf.gov.sg/">http://www.cpf.gov.sg/</a> |

### Looking Ahead

| FY 2020 TARGET   | KEY INITIATIVES   |
|--|---|
| 100% of full-time employees to receive regular performance and career development review                               | Increase a culture of continuous performance management via communication and clarification of performance expectations.                                |
| 100% of full-time employees to receive regular and adequate quality training relative to their role and responsibility | Develop methodologies to collect information on category of hours (leadership vs. OHS vs technical capacity improvement), and user feedback of quality. |

## OCCUPATIONAL HEALTH & SAFETY

GRI 403-1



Fragrance Group believes in the precautionary approach towards preserving the occupational health and safety (“OHS”) of individuals whom we have a business relationship, i.e. employees, volunteers, and contractors retained directly by the organisation or indirectly by suppliers along the business value chain.

### *OHS Management System*

Fragrance Group is committed to reducing and preventing work related injuries and illnesses that could be sustained by workers, guests and other visitors. At this time, we have strong and integrated implementation of an occupational health and safety management system, which is compliant with the regional legal requirements of Singapore, Australia and the United Kingdom. It is anchored by our Work Health and Safety (“WHS”) Management Policy, which is progressive and committed to continuous improvement to prevent occurrence/reoccurrence.



The objective of our OHS policy is to minimise risk, progressing towards the goal of its elimination. However, there will occasionally be “near-misses” and incidents. When this occurs, we believe that any employee injured while performing their duties should and will be given appropriate time and injury management (medical treatment and work-based rehabilitation through our comprehensive Work Injury Compensation Insurance). Our policy is to secure the work site, commencing injury management to assist with recovery, aligning the injured employee’s work duties with medical restrictions, cooperating with treatment providers and develop mutually-beneficial Return to Work Plans.

“Developing, implementing and maintaining a high standard of occupational health and safety protocols **is one of our biggest priorities.**”

### *Building Safe Spaces*

Our employees are a critical source of innovative and resilient thinking, and at Fragrance Group we strive towards building emotionally- and mentally-safe spaces to foster the productive exchange of free ideas, respect for diverse identities and accountable communication.

To contend bullying and victimisation, we communicate via our Employee Manual regarding the existence and mobilisation of existing grievance mechanisms for offended employees, which investigates and enforces tiered disciplinary action against offenders, which can result in termination. To further nuance our policies, we have several overarching guiding objectives to eliminate discrimination, harassment, and bullying in the workplace:

- Treat employees and guests with dignity, courtesy, and respect;
- Train and communicate to employees their rights and responsibilities;
- Refine our procedure to investigate complaints more efficiently;
- Handle all complaints with sensitivity, fairness, timeliness, and confidentiality;
- Encourage employees to report incidents in breach without fear of victimisation; and
- Promote proper and contextually-appropriate standards of behaviour at the workplace, work-related activities outside of the workplace, and at work-sponsored social events.

Although these policies do not form part of the employees' contractual obligations, any breach of any of these policies may prompt a disciplinary action, which may result in termination of employment or engagement depending on the severity of the breach.

### *Environmental Health & Safety*

We acknowledge the importance of introducing environmentally responsible practices (including the improvement of the overall management of its resources) into day to day corporate and operational activities and long-term strategies in order to expand its contribution to sustainable development.

We have developed an environmental strategy, based on a group-wide environmental footprint study, that addresses the main challenges facing building and hotel operations. We aim to reduce consumption, prevent pollution, minimise waste, implement re-use and recycling practices, raise awareness amongst guests and employees and engage the communities as part of the global sustainable development program: AccorHotels' Programme – Planet 21.

## **PLANET 21**

With links to the United Nations Agenda 21, **Planet 21, established in 2010**, focuses on 7 core themes and 21 related, and quantifiable commitments: Health, Nature, Carbon, Innovation, Local, Employment, and Dialogue. It intends to advance sustainable hospitality and sustainable development at the core of AccorHotel's strategy, development and innovation.

### *Looking Ahead*

| FY 2020 TARGET   | KEY INITIATIVES   |
|--|---|
| No preventable work-related injuries   | Monitor records for reasons of work-related injuries, including recommendations and actionable implementation plan.                                 |
| No preventable grievances ensuing due to mental abuse, victimisation and/or bullying | Monitor grievance mechanism for reasons to encourage mental and emotional safety while in the workplace. If necessary, implement an ombudsman post. |

## ECONOMIC PERFORMANCE

GRI 201-1



Fragrance Group is dedicated to ensuring the financial sustainability and the long-term economic viability of projects in Singapore, Australia and the United Kingdom in order to preserve the interests of our stakeholders and financiers. We commit to acting responsibly as an actor in our shared corporate world.

### Economic Value Generated & Distributed

In 2017, we achieved a revenue of \$198.0 million, a 66.8% increase from 2016's \$118.7 million. Our gross profit recorded an increase of 65.1% (to \$71.5 million) compared to 2016 (\$43.3 million).

Our other operating income increased from \$3.9 million in 2016 to \$33.7 million in 2017 mostly because of the increase in the fair value of the investment properties. Administrative expenses increased from \$17.4 million in 2016 to \$23.8 million in 2017 due to the following:

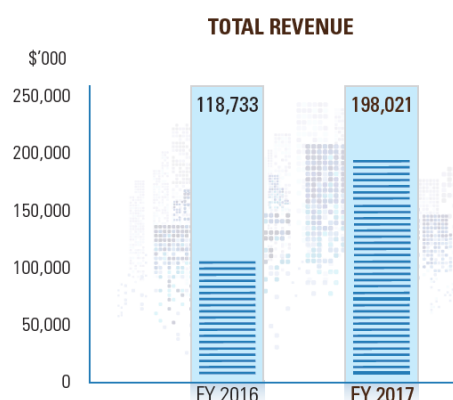
Hotel operations in Australia and United Kingdom increased depreciation on additional fixed assets, utilities, repairs and maintenance and payroll expenses. Additionally, the submission fees were being increased for the development properties in Australia and United Kingdom, slightly offset by the decrease in property tax expenses.

| \$'000                        | FY2017  | FY2016  | Change (%) |
|-------------------------------|---------|---------|------------|
| <b>Property Development</b>   | 159,193 | 100,281 | 58.7       |
| <b>Commercial Investment</b>  | 22,153  | 18,452  | 20.1       |
| <b>Hospitality Investment</b> | 1,318   | -       | NM         |
| <b>Hotel Operations</b>       | 15,357  | -       | NM         |
|                               | 198,021 | 118,733 | 66.8       |

Financial Year ended 31 December

(Retrieved from Fragrance Group's Annual Report 2017)

“As a listed company with operations in three diverse regions, we are **committed to ensuring economic performance on a local and group level.**”



Fragrance Group's property development segment contributed 58.7% higher revenue to \$159.2 million compared to the year-ago period due to the substantial contribution from its City Gate project in Singapore since it started construction in 2H 2016. Higher rental income from its investment properties such as Tower 15, Fragrance Empire Building, The Punggol Settlement and Victory Centre boosted revenue by 20.1% to \$22.2 million. Our hotels in the United Kingdom, namely, Corbyn Head Hotel, Lyndene Hotel, The Townhouse Hotel, and The Crown Hotel, generated \$1.3 million in turnover. Regarding hotel operations, namely ibis Styles Hobart in Australia and The Imperial Hotel in the United Kingdom, these hotels generated \$15.4 million income.

### Looking Ahead

| FY 2020 TARGET  | KEY INITIATIVES   |
|---|---|
| Improve shareholder and investor value across all sectors | Maintain plans to further develop commercial and residential properties in Australia, Singapore, and the United Kingdom |

## ENVIRONMENTAL COMPLIANCE/PRODUCT QUALITY

GRI 307-1, 416-2



Fragrance Group believes that adopting the precautionary approach and compliance with current environmental regulation and valuation is vital towards demonstrating the neutrality of our property products with the goal of eliminating any harmful impacts along our value chain.

### *Compliance with Laws & Regulations*

In 2017 across all of our regions, Singapore, Australia, and the United Kingdom, we are pleased to report that the total monetary value of significant fines, sanctions, and cases for non-compliance with environmental laws and regulations were zero. Additionally, the total number of incidents of non-compliance of property with health & safety regulations resulting in a fine, penalty, warning, or voluntary code were also zero.

At this time, mandates surrounding environmental impact assessments (EIAs) vary across regions, however we strive to comply or exceed expectations. We have worked with various local partners when developing our EIAs in 2017.

“Sustainability issues such as environmental and social factors that is a principal duty of the board of Fragrance Group. **We hope to do our part in keeping a sustainable business for the benefit of our future generations.**”

### *Environmental Impact Assessment: Singapore*

In Singapore, there is currently no law requiring that EIAs are conducted or made available to the public. However, as general consensus moves forward to take a precautionary approach, we wish to adopt good corporate responsibility at the infancy of the projects we undertake and have been increasing diligence in involving our community stakeholders as well liaising regularly with local ministries in understanding our due diligence regarding broad impacts:

National  
Environment Agency  
(Pollution and  
Construction Noise  
Matters)

Building and  
Construction  
Authority (Building  
and Construction  
Matters)

Urban  
Redevelopment  
Authority (Planning  
Matters)

Ministry of  
Manpower  
(Construction  
Workforce Matters)

Between 2-3 months before construction begins on a new property development, progressive Stage 1 and Stage 2 flyers showing detailed construction information and timelines are issued to surrounding neighborhoods with our Fragrance Group's contact information to solicit feedback and concerns, as was the case with our BCA Green Mark planned residential property at 31 Jervois Road.

### *Environmental Impact Assessment: United Kingdom*

In the UK, according to the Town and Country Planning (Environmental Impact Assessment) Regulations 2017, if the project is not considered a Schedule 1 or Schedule 2 development, there is no need for complete EIAs to be done. However, if environmental issues arise midway during the development, then such issues are managed on an ad-hoc yet strategic basis. As we progressed with the refurbishment of the Municipal Buildings on Dale Street, Liverpool with the objective of turning it into hotel development, we exercised due diligence to inspect the



unit in relation to bats and breeding birds, an act that was particularly important because certain species were suspected to be protected under the Local Authority's Planning Policies.

Similar to Singapore, between 2-3 months before the construction of a new property development flyers are disseminated to invite community stakeholder to discuss proposals and offer feedback before plans are finalised, notably with our Paignton's Park Hotel.

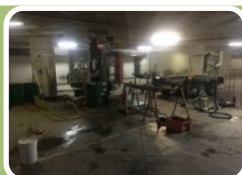
### *Environmental Impact Assessment: Australia*

In Australia, EIAs are required if the project involves significant influence on matters of national environmental significance. However, the regulation requests that proposed developments should have defensible evidence of acknowledged and mitigated impacts.



#### **Geotechnical Investigation**

- A consultant performed an investigation to assess subsurface conditions and recommend allowable bearing pressures for construction in order not to damage foundational integrity.
- With results, we were able to identify the implications of certain architectural and construction decisions to protect the property, and more importantly, its tenants for the long-term.



#### **Preliminary Soil & Groundwater Investigation**

- A consultant performed an investigation to understand the extent of soil and ground water contamination in preparation of redevelopment.
- The risk of TRH, PAH, metals, and MAH chemicals contaminating the soil and groundwater of surrounding and underneath the property was low and therefore, it was concluded low-risk to future tenants.



#### **Mold Contamination Impact Assessment**

- A consultant performed a mold, asbestos and hazardous materials audit to facilitate the demolition and redevelopment of the site in a responsible matter, taking care to prevent airborne mold spores.
- With results, we were able to adopt the recommendations of mold remediation and drying, and validation sampling to certify safe demolition conditions.

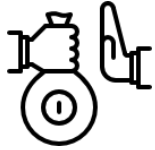
In 2017, other environmental audits included a Division 6 Hazardous Materials audit by AGS Environmental Services, and an Environmental Site Assessment by a consultant in line with requirements of approving the planning permit of 134-160 Spencer Street, Melbourne.

### *Looking Ahead*

| <b>FY 2020 TARGET</b>  | <b>KEY INITIATIVES</b>  |
|--|---|
| Enforce continuous improvement on water, energy, waste, and emissions reduction targets        | Develop reliable data collection methodologies to measure water, energy, and waste consumption and resulting emissions and its year-to-year trend.    |
| No fines and non-monetary sanctions for non-compliance with environmental laws and regulations | Continue to keep abreast of current regulatory laws and procedure in Singapore, Australia and the United Kingdom for mitigating environmental impacts |

## TRANSPARENT GOVERNANCE & CORRUPTION

GRI 205-3



Fragrance Group believes that setting into place strong policies to encourage transparent governance and counter corruption is key to facilitating a trustworthy funnel of communication within and between all levels of our stakeholders. Defensible ethics anchor most of our social and economic transactions.

### Whistle-blowing Policy

We are proud to maintain high levels of ethical conduct and corporate governance across all of our businesses and locations.

We have set a whistle-blowing policy in place to provide our employees and parties who work with us with well-defined, accessible and trusted channels to report suspected fraud, corruption, dishonest practices or other improprieties in the workplace and for the independent investigation of any reported incidents and appropriate follow-up action. Our objective is to promote openness, accountability and integrity, ensure compliance with regulations, laws and company policies, handle cases of misconduct and provide protection from reprisal.

*This policy outlines, inter alia, the following reportable occurrences: i) Impropriety, corruption, fraud, theft and/or misuse of Fragrance Group's property, assets or resources; ii) Fraud against investors, or the making of fraudulent statement to the Singapore Exchange Securities Trading Limited, member of the investing public and regulatory authorities; and iii) Acts to mislead, deceive, manipulate, coerce or fraudulently influence any accountant or auditor in connection with the preparation, examination, audit or review of any financial statements or records of Fragrance Group.*

The policy makes confidential all disclosed information, as well as the the whistle-blower's identity. Fragrance Group is prohibited, under this policy, from retaliating against the whistle-blower, as is anyone who tries to retaliate. We have a procedure for whistle-blowing that explains the steps and who to approach in case of a misconduct.



In 2017 across all of our regions, Singapore, Australia, and the United Kingdom, we are proud to report that the total number of confirmed incidents of corruption, total number in which employees were dismissed/disciplined for corruption, total number in which contracts with

business partners were terminated/not renewed due to corruption and public legal cases regarding corruption against the organisation or its employees were cumulatively zero.

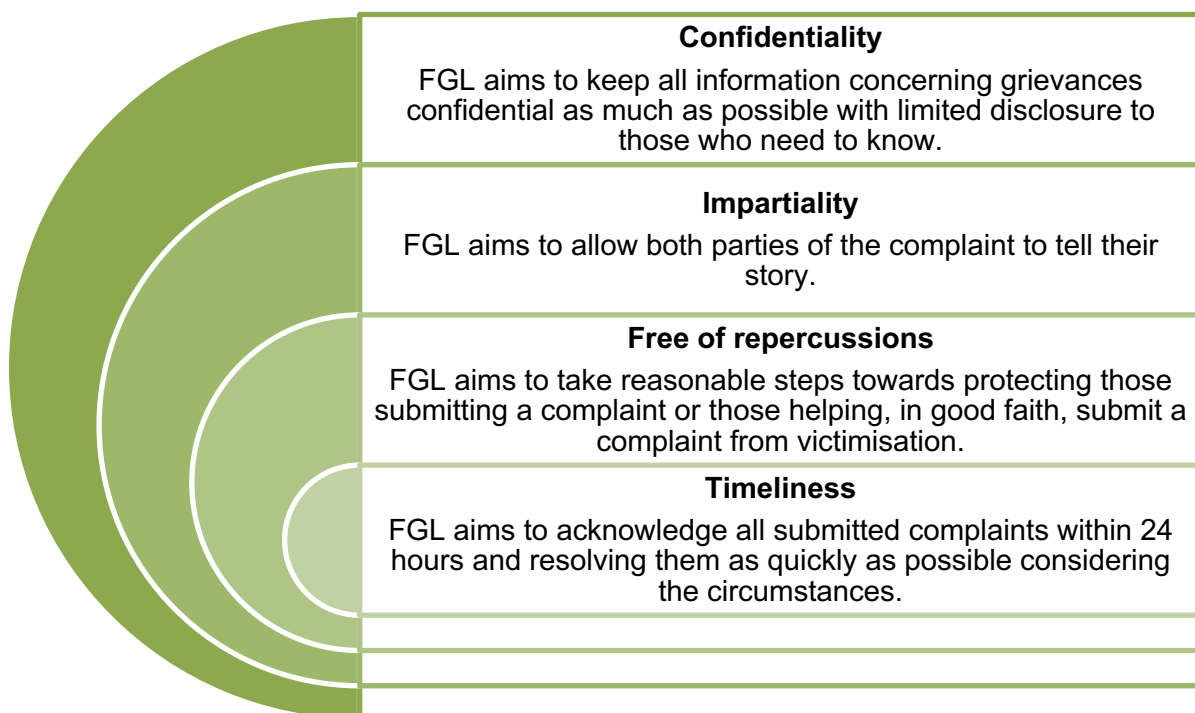
### *Transparent Governance of Securities Dealing*

Fragrance Group exercises a securities dealing policy for our officers and employees, which applies the best practices recommendations in the SGX Listing Manual. It issues guidelines to Directors and employees, setting out prohibitions against dealings in Fragrance Group's securities (i) while in possession of material unpublished price-sensitive information; (ii) during the two weeks immediately preceding, and up to the time of the announcement of, our results for each of the first three quarters of its financial year; and (iii) during the one month preceding, and up to the time of announcement of, our results for the full financial year. Prior to the commencement of each relevant period, an email would be sent out to all Directors and employees of Fragrance Group to inform them of the duration of the prohibition period.

Directors and employees of Fragrance Group are also prohibited from dealing in securities of the company and other relevant listed entities if they are in possession of unpublished price-sensitive information of Fragrance Group and other listed entities by virtue of their status as Directors and/or employees. They are also prohibited from using any information with respect to other companies or entities obtained in the course of their employment in connection with securities transactions of such companies or entities.

### *Grievance Policy and Mechanisms*

We recognise that despite good intentions and strong preventive measures, employees and entities with whom we have a relationship with require a grievance policy as an umbrella policy to resolve conflict. Fragrance Group has set a grievance policy in place to ensure a fair and consistent process to resolving grievances. The policy is based on four principles:



In event that Fragrance Group is asked to mediate a workplace conflict, the issue can be escalated along the following chain of command, ordered by managerial experience starting

with the direct Supervisor or Department Manager, and if necessary, ending with the Deputy CEO. There are two procedures: formal or informal.

The formal procedure requires the investigation of the grievance by an ombudsman or external appointee. To ensure safety and efficient conduct of the investigation, all workplace participants involved are required not to report for duty for the length of the investigation or will be assigned alternative duties while still being remunerated normally.

For the informal procedure, investigative approaches will vary depending upon the individual and the circumstances, the most common of which is for the contact person to resolve the issue unilaterally or moderate a meeting between the involved parties. Such an approach is appropriate for less serious allegations which do not force disciplinary action.

All information regarding a complaint is to remain confidential and shared only with those involved, including a support person. Breach of confidentiality leads to disciplinary action and, in severe cases, to possibly defamation.

The final decision concerning the grievance depends on the outcome of the investigation and the severity of the grievance.

|                                    |  |
|------------------------------------|--|
| <b>Complaint Substantiated</b>     | <ul style="list-style-type: none"> <li>• Disciplinary action: official warning, counseling, demotion, suspension and dismissal</li> <li>• Non-disciplinary action: training, monitoring, request for apology, undertaking to avoid the behaviour, adjusting work arrangements</li> </ul>   |
| <b>Complaint not Substantiated</b> | <ul style="list-style-type: none"> <li>• The parties are informed of the outcome result and reminded of the standards of behaviour, confidentiality and victimisation</li> <li>• The company implements more generic solutions (e.g. team briefings) and carries out monitoring</li> </ul> |
| <b>Complaint is Frivolous</b>      | <ul style="list-style-type: none"> <li>• Disciplinary action</li> <li>• Stricter disciplinary action in case of an excessive number of unfounded complaints</li> </ul>   |

Any party not satisfied with the outcome of the investigation can appeal the final decision; however, the decision taken after the appeal is final.

### Looking Ahead

| FY 2020 TARGET   | KEY INITIATIVES   |
|--|---|
| No cases of fines or non-monetary sanctions levied due to non-compliance with securities dealing | Ensure employees are well-informed about the nature and implications of Fragrance Group's securities dealing policy.  |
| No cases of corruption or bribery discovered across value chain                                  | Improve training on recognising possible cases of corruption and/or bribery occurring within Fragrance Group offices and within our value chain, specifically suppliers and relationship clients. |

## COMMUNITY ENGAGEMENT



Fragrance Group believes that our community is the core beneficiary of our property products and services. As we are in constant exchange with our community, there is great value in identifying and addressing their concerns, expectations and needs, a nuanced iteration of our Know-Your-Client procedure.

### *Our Communal Impacts*

Prior to the construction of properties in Singapore, Australia, and the UK, we carry out EIAs at various stages of construction (e.g. demolition, construction, and finishing). In 2017, in line with Australian property development regulation surrounding the requirements of development applications (“DA”), a consultant assisted us with the development of a Preliminary Environment Assessment and Environment Site Assessment, as part of the EIA. Both of these reports are publicly available. Furthermore, a Hazardous Materials Audit was also completed for the same property.

“Creating opportunities for the local workforce is something that **we are committed to and are continuously working on.**”

### *Engaging with our Community Stakeholders*

We further recognise the relevance of social impact assessments, which are anchored by resilient and consistent stakeholder engagement mechanisms. In 2017, we did not have formal social impact assessments, however we are proud that we have taken steps to ensure our community stakeholders are adequately informed about our corporate and direct activities.

#### Singapore



We regularly provide public information releases via SGXNet. In 2017, we released 65 notices, ranging from Disclosure of Interest and Changes to General Announcements and Financial Statements.

#### Australia



The majority of our property developments in Australia are commercial hotel properties or mixed developments. Therefore, our most efficient information dissemination method is to publish on their respective websites, e.g. ibis Styles Hobart

#### United Kingdom



To provide the community with critical information about upcoming construction developments, we publish invitations for public consultations in the local newspapers as an advertisement.

In addition to providing information, we are careful to formalise local community grievance procedures, which will provide opportunities to our community stakeholders to verbalise their concerns prior to the finalisation of construction plans. In Singapore, we distribute flyers which feature location, schematics of site layout plans, project schedule, but more importantly, information of managers of specific grievances, e.g. workforce, OHS, environment pollution.



In Australia, there were none in 2017 due to no construction projects being planned, however there were public invitations for consultations located on the City of Hobart's website, thereby allowing concerned citizens to submit a civil representation about an advertised planning application.

In the UK, in line with regulations, a property developer is required to publish invitations for public consultations in the local newspaper as advertisements, although there we had no such publications in 2017 due to no construction projects being planned.

Although we believe our communication strategy is sound, we are forward looking and are thus exploring to increase the frequency and quality of our stakeholder engagement systems by establishing a platform on our Fragrance Group website to allow all levels of stakeholders the opportunity to rank and identify which issues and topics are material for them. They are allowed to re-rank as priorities change over the course of the reporting year. We wish to also provide additional grievance channels for stakeholder groups to express concern and suggestions for improvement.

### *Looking Ahead*

| FY 2020 TARGET   | KEY INITIATIVES  |
|--|--|
| Improve stakeholder engagement mechanisms, quantity and quality of various bidirectional options | Develop stakeholder engagement mechanisms hosted on Fragrance Group's website and improve materiality assessment procedures across all stakeholder groups. |
| Improve responses towards stakeholder concerns and expectations                                  | Develop system for monitoring and recording stakeholder concerns and expectations as well as assign accountability for resolution                          |

## SGXNET

The SGXNet is a system developed and hosted by the Singapore Exchange (SGX) to allow corporates, agents and financiers to submit corporate announcements which would influence the decision-making capacities of their stakeholders, e.g. shareholding investors, and radially, beneficiaries of various influence. Fragrance Group has routinely published on SGXNet since being listed in 2005.

## PROPERTY SHOWCASE: SINGAPORE

### Property Details

|                                     |                     |
|-------------------------------------|---------------------|
| Valuation (S\$ million)             | 525                 |
| Capitalisation rate (%)             | 3                   |
| Acquisition date                    | 25 February 2013    |
| Purchase price (S\$ million)        | 380                 |
| Leasehold title expiry date         | Freehold            |
| Land area (sq m)                    | 10,039.40           |
| Gross floor area (sq m)             | 28,109.78           |
| Property type                       | Commercial Building |
| Total water consumption (litres)    | 15,363,300          |
| Total electricity consumption (kWh) | 2,255,702.33        |
| Solid Waste (kg)                    | 82,200*             |
| CO2 Emissions (kgCO2e)              | 8,856.60            |
| Greenmark Compliance                | No                  |

### Lease Terms

|   |                     |
|---|---------------------|
| Lease type                                      | Commercial Building |
| Occupancy of property (%)                       | 53.9                |
| Annual gross rental income FY2017 (S\$ million) | 6.4                 |

\* Best estimate as there is no actual waste measure. All wastage is collected on a per bin basis which is 60kg per bin daily. All values provided above are as at 31 December 2017.

### Fragrance Empire Building, Singapore



Fragrance Empire Building is a newly refurbished commercial and office building that hosts a wide variety of tenants. It is well located close to Labrador Park MRT station and is close to ARC (Alexander Retail Centre). It has easy

access from the city and serves as the headquarters of Fragrance Group.

### Property Details

|                                     |                                |
|-------------------------------------|--------------------------------|
| Valuation (S\$ million)             | 465                            |
| Capitalisation rate (%)             | 3.5% (Office)<br>4.25% (Hotel) |
| Acquisition date                    | 10 October 2012                |
| Purchase price (S\$ million)        | 360                            |
| Leasehold title expiry date         | Freehold                       |
| Land area (sq m)                    | 3,645.5                        |
| Gross floor area (sq m)             | 23,546.5                       |
| Property type                       | Commercial Building            |
| Total water consumption (litres)    | 26,665,800.00                  |
| Total electricity consumption (kWh) | 2,296,813.02                   |
| Solid Waste (kg)                    | 87,600*                        |
| CO2 Emissions (kgCO2e)              | 12,387.20                      |
| Greenmark Compliance                | No                             |

### Lease Terms

|   |                     |
|---|---------------------|
| Lease type                                      | Commercial Building |
| Occupancy of property (%)                       | 74.0                |
| Annual gross rental income FY2017 (S\$ million) | 9.6                 |

\* Best estimate as there is no actual waste measure. All wastage is collected on a per bin basis which is 60kg per bin daily. All values provided above are as at 31 December 2017.

### Tower 15, Singapore

At the heart of the Central Business District in Singapore, Tower 15 is located at 15 Hoe Chiang Road boasts a cocktail of commercial tenants – an office block complimented with a boutique hotel, a restaurant and a bar, this investment property has been bringing good tenancy yield to Fragrance Group since acquisition. Fragrance Group is currently holding Tower 15 as an investment property.

## PROPERTY SHOWCASE: SINGAPORE

### Property Details

|                                     |  |
|-------------------------------------|--|
| Valuation (S\$'million)             | 97.5   |
| Capitalisation rate (%)             | 5  |
| Acquisition date                    | 12 April 2012  |
| Purchase price (S\$'million)        | 43.4   |
| Leasehold title expiry date         | Leasehold of 60 years commencing 10 July 2012                            |
| Land area (sq m)                    | 6,312.2  |
| Gross floor area (sq m)             | 15,780.36  |
| Property type                       | Business Space Building with Commercial Facilities Located at Roof Level |
| Total water consumption (litres)    | 1,795,100.00   |
| Total electricity consumption (kWh) | 283,315.00   |
| Solid Waste (kg)                    | 38,466*  |
| CO2 Emissions (kgCO2e)              | 1,522.30   |
| Greenmark Compliance                | No   |

### Lease Terms

|   |  |
|---|--|
| Lease type                                      | Business Space Building with Commercial Facilities Located at Roof Level |
| Occupancy of property (%)                       | 65.1   |
| Annual gross rental income FY2017 (S\$'million) | 2.5  |

\* Best estimate as there is no actual waste measure. All wastage is collected on a per bin basis which is 60kg per bin daily. All values provided above are as at 31 December 2017.

### Victory Centre, Singapore

Victory Centre is an industrial building located at 110 Lorong 23 Geylang. This industrial building is approved for Light Industrial (B1) rental and is located close to Aljunied MRT Station. The building is also home to two childcare centres and also boasts a swimming pool and gym facilities, which help to provide tenants with greater convenience in meeting their lifestyle needs.

### Property Details

|                                     |                                      |
|-------------------------------------|--------------------------------------|
| Percentage of completion (%)        | 65.1                                 |
| Expected date of completion         | 2019                                 |
| Planned floor area (sq m)           | 39,615.00                            |
| Property type                       | Mixed-use (Commercial & Residential) |
| Total water consumption (litres)    | -                                    |
| Total electricity consumption (kWh) | -                                    |
| Solid Waste (kg)                    | -                                    |
| CO2 Emissions                       | -                                    |

All values provided above are as at 31 December 2017.

### City Gate, Singapore (Under Construction)



City Gate is a 99-years leasehold development near the city at Beach Road, consisting of commercial and residential units. It is in close proximity to Nicoll Highway MRT, which is one stop away from the iconic National Stadium.

## PROPERTY SHOWCASE: AUSTRALIA

### Property Details

|                                     |             |
|-------------------------------------|-------------|
| Valuation (AUD \$'million)          | -           |
| Capitalisation rate (%)             | -           |
| Completion date                     | 1 July 2017 |
| Purchase price (AUD \$'million)     | -           |
| Leasehold title expiry date         | Freehold    |
| Land area (sq m)                    | 2,026       |
| Gross floor area (sq m)             | 13,287      |
| Property type                       | Hotel       |
| Total water consumption (litres)    | 5,792,062   |
| Total electricity consumption (kWh) | 716,326     |
| Solid Waste (kg)                    | 496,900     |
| CO2 Emissions (kgCO2e)              | 26,257.81   |
| Greenmark Compliance                | No          |

### Lease Terms

|   |       |
|---|-------|
| Lease type  | Hotel |
| Annual gross income from hotel operations FY2017 (AUD \$'million) | 5.9   |

All values provided above are as at 31 December 2017.

### ibis Styles Hobart



ibis Styles Hobart is Fragrance Group's first hotel investment in Tasmania, Australia, and is located at 173 Macquarie Street, Hobart. The hotel first commenced operations in the later half of 2017 and has benefitted from its good location in the downtown district of Hobart.

### Property Details

|                                     |                                  |
|-------------------------------------|----------------------------------|
| Percentage of completion (%)        | 8.91                             |
| Expected date of completion         | 2021                             |
| Planned floor area (sq m)           | 86,247                           |
| Property type                       | Residential / Commercial / Hotel |
| Total water consumption (litres)    | -                                |
| Total electricity consumption (kWh) | -                                |
| Solid Waste (kg)                    | -                                |
| CO2 Emissions                       | -                                |

All values provided above are as at 31 December 2017.

### Premier Tower, Melbourne (Under Construction)

Premier Tower, planned to be one of Melbourne's tallest skyscrapers, will form part of Melbourne's skyline with its unique architectural features. It is also well-situated in Melbourne's Central Business District at 134-160 Spencer Street and sits right opposite Southern Cross Railway Station.



## PROPERTY SHOWCASE: AUSTRALIA

### Property Details

|                                     |                     |
|-------------------------------------|---------------------|
| Percentage of completion (%)        | 8.6                 |
| Expected date of completion         | 2020                |
| Planned floor area (sq m)           | 72,457              |
| Property type                       | Residential / Hotel |
| Total water consumption (litres)    | -                   |
| Total electricity consumption (kWh) | -                   |
| Solid Waste (kg)                    | -                   |
| CO2 Emissions                       | -                   |

All values provided above are as at 31 December 2017.

### NV Apartments, Perth (Under Construction)



This development is situated at 374-396 Murray Street, which is in Perth's Central Business District. It will feature two blocks, residential apartments and the other a hotel.





## PROPERTY SHOWCASE: UNITED KINGDOM

### Property Details

|  |                  |
|--|------------------|
| Valuation (£ 'million)                               | -                |
| Valuation as percentage of total portfolio value (%) | -                |
| Capitalisation rate (%)                              | -                |
| Acquisition date                                     | 20 February 2017 |
| Purchase price (£ 'million)                          | 12.6             |
| Leasehold title expiry date                          | Freehold         |
| Land area (sq m)                                     | 9,384.00         |
| Gross floor area (sq m)                              | -                |
| Property type  | Hotel            |
| Total water consumption (litres)                     | 21,150,000       |
| Total electricity consumption (kWh)                  | 1,372,955        |
| Solid Waste (kg)                                     | 98,724.72        |
| CO2 Emissions  | -                |
| Greenmark Compliance                                 | No               |

### Rental Terms

|   |     |
|---|-----|
| Annual gross income from hotel operations FY2017 (£ 'million) | 5.1 |
|---|-----|

All values provided above are as at 31 December 2017.

### The Imperial Hotel, Blackpool



The Imperial Hotel is Fragrance Group's first investment in the UK and has a long history. Built in the 19<sup>th</sup> century, this hotel is a landmark in the seaside town of Blackpool and is situated on North Promenade. This hotel has hosted members of the royal family, statesmen and celebrities.

### Property Details

|                                     |                |
|-------------------------------------|----------------|
| Valuation (£ 'million)              | 12             |
| Capitalisation rate (%)             | 7.25           |
| Acquisition date                    | 25 August 2017 |
| Purchase price (£ 'million)         | 12.5           |
| Leasehold title expiry date         | Freehold       |
| Land area (sq m)                    | 956            |
| Gross floor area (sq m)             | 4,194          |
| Property type                       | Hotel          |
| Total water consumption (litres)    | -              |
| Total electricity consumption (kWh) | -              |
| Solid Waste (kg)                    | -              |
| CO2 Emissions                       | -              |
| Greenmark Compliance                | -              |

### Rental Terms

|  |     |
|--|-----|
| Annual gross rental income FY2017 (£ 'million) | 0.2 |
|--|-----|

All values provided above are as at 31 December 2017.

### The Townhouse Hotel, Manchester

The Townhouse Hotel is situated at the heart of Manchester on 101 Portland Street and is listed as a Grade-II historic building.

## PROPERTY SHOWCASE: UNITED KINGDOM

### Property Details

|                                     |                  |
|-------------------------------------|------------------|
| Valuation (£ 'million)              | 7.65             |
| Capitalisation rate (%)             | -                |
| Acquisition date                    | 1 September 2017 |
| Purchase price (£ 'million)         | 7.2              |
| Leasehold title expiry date         | Freehold         |
| Land area (sq m)                    | 4,516            |
| Gross floor area (sq m)             | 11,616           |
| Property type                       | Hotel            |
| Total water consumption (litres)    | -                |
| Total electricity consumption (kWh) | -                |
| Solid Waste (kg)                    | -                |
| CO2 Emissions                       | -                |
| Greenmark Compliance                | -                |

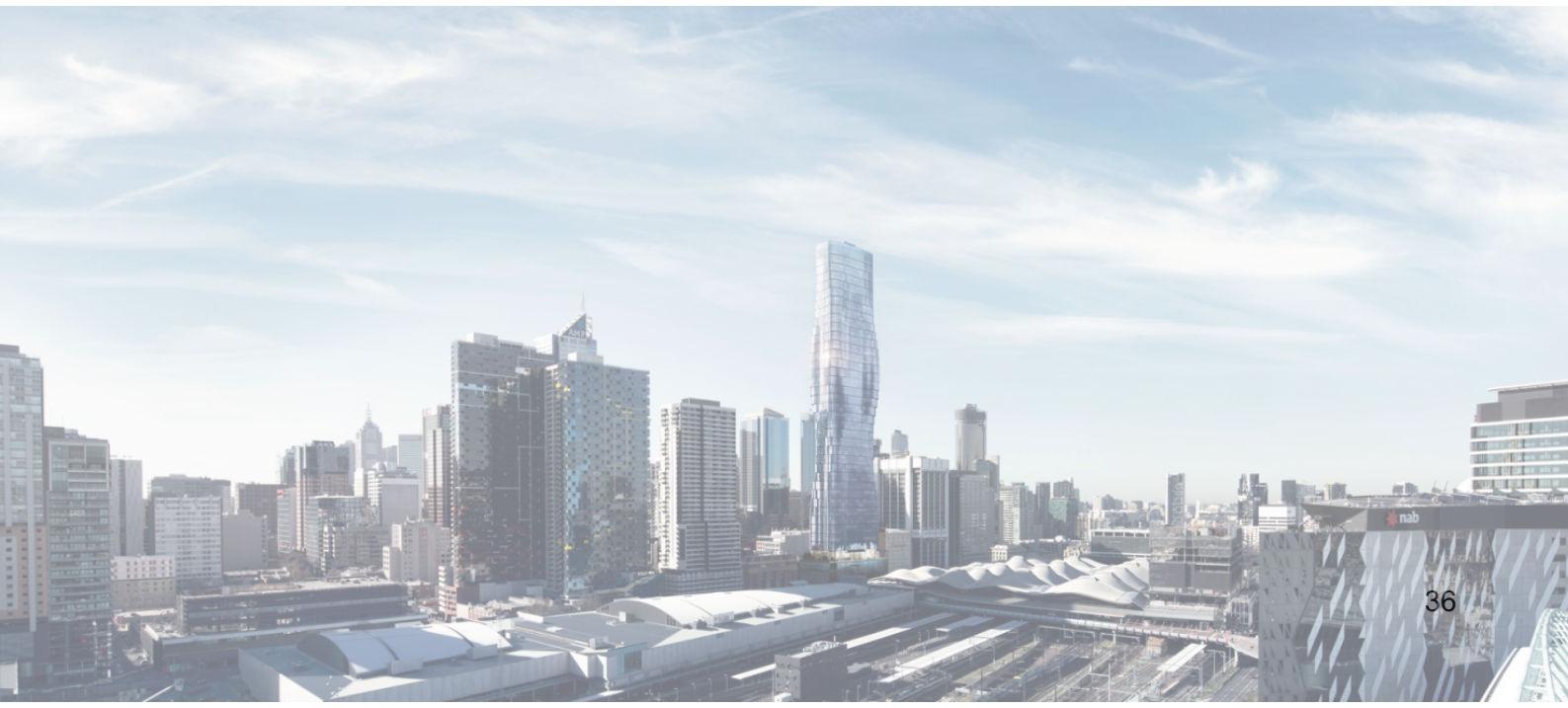
### Rental Terms

|  |      |
|--|------|
| Annual gross rental income FY2017 (£ 'million) | 0.14 |
|--|------|

All values provided above are as at 31 December 2017.

### The Crown Hotel, North Yorkshire

This hotel is located in Crown Place, Harrogate, North Yorkshire and offers 115 guestrooms to visitors of the town.



## GRI CONTENT INDEX

This Report has been developed in reference to Global Reporting Initiative (“GRI”) Standards 2016. For a full disclosure of the specific content aligned with GRI Standards, refer below.

| GRI Standard                  | Disclosure Title   | Page Reference & Remarks |
|-------------------------------|--|--------------------------|
| <b>GENERAL DISCLOSURE</b>     |  |                          |
| <b>ORGANISATIONAL PROFILE</b> |  |                          |
| 102 – 1                       | Name of the organisation                                     | Pg. 4-5                  |
| 102 – 2                       | Activities, brands, products, and services                   | Pg. 4-5                  |
| 102 – 3                       | Location of headquarters                                     | Pg. 4-5                  |
| 102 – 4                       | Location of operations                                       | Pg. 4-5                  |
| 102 – 5                       | Ownership and legal form                                     | Pg. 4-5                  |
| 102 – 6                       | Markets served   | Pg. 4-5                  |
| 102 – 7                       | Scale of the organisation                                    | Pg. 4-5                  |
| 102 – 8                       | Information on employees and other workers                   | Pg. 4-5                  |
| 102 – 9                       | Supply chain   | Pg. 9                    |
| 102 – 10                      | Significant changes to the organisation and its supply chain | Pg. 9                    |
| 102 – 11                      | Precautionary principle or approach                          | Pg. 6-8                  |
| 102 – 12                      | External initiatives   | Pg. 9                    |
| 102 – 13                      | Membership of associations                                   | Pg. 9                    |
| <b>STRATEGY</b>               |  |                          |
| 102-14                        | Statement from senior decision-maker                         | Pg. 3                    |
| <b>ETHICS AND INTEGRITY</b>   |  |                          |
| 102-16                        | Values, principles, standards, and norms of behaviour        | Pg. 6-8                  |
| <b>GOVERNANCE</b>             |  |                          |
| 102-18                        | Governance structure   | Pg. 10-11                |
| <b>STAKEHOLDER ENGAGEMENT</b> |  |                          |
| 102-40                        | List of stakeholder groups                                   | Pg. 12-13                |
| 102-41                        | Collective bargaining agreements                             | Pg. 12-13                |
| 102-42                        | Identifying and selecting stakeholders                       | Pg. 12-13                |

|                       |  |  |
|-----------------------|--|--|
| 102-43                | Approach to stakeholder engagement   | Pg. 12-13  |
| 102-44                | Key topics and concerns raised   | Pg. 12-13  |
| REPORTING PRACTICES   |  |  |
| 102-45                | Entities included in the consolidated financial statements   | Pg. 10-11  |
| 102-46                | Defining report content and topic boundaries   | Pg. 2, 8   |
| 102-47                | List of material topics  | Pg. 14-15  |
| 102-48                | Restatements of information  | Pg. 2  |
| 102-49                | Changes in reporting   | Pg. 2  |
| 102-50                | Reporting period   | Pg. 2  |
| 102-51                | Date of most recent report   | Pg. 2  |
| 102-52                | Reporting cycle  | Pg. 2  |
| 102-53                | Contact point for questions regarding the report   | Pg. 2  |
| 102-54                | Claims of reporting in accordance with the GRI Standards   | Pg. 2  |
| 102-55                | GRI content index  | Pg. 37   |
| 102-56                | External assurance   | Fragrance Group has not sought external assurance on this Report.  |
| MANAGEMENT APPROACHES |  |  |
| 103 – 1               | Explanation of the material topic and its Boundary   | <ul style="list-style-type: none"><li>● Employee Engagement (Pg. 16)</li><li>● Occupational Health &amp; Safety (Pg. 21)</li><li>● Economic Performance (Pg. 23)</li><li>● Environmental Compliance/Product Quality (Pg. 24)</li><li>● Transparent Governance &amp; Corruption (Pg. 26)</li><li>● Community Engagement (Pg. 29)</li><li>● Energy/Water (Pg. 31-36)</li></ul> |
| 103 – 2               | The management approach and its components   |  |
| 103 – 3               | Evaluation of the management approach  |  |
| MATERIAL TOPICS       |  |  |
| EMPLOYEE ENGAGEMENT   |  |  |
| 404 – 1               | Average hours of training that employees have undertaken, by gender and employee category  | Pg. 16-20  |
| 404 – 2               | Type and scope of programs implemented to upgrade employee skills, and transition assistance programs resulting from retirement or termination | Pg. 16-20  |
| 404 – 3               | Percentage of total employees by gender and employee category who received a regular performance and career development review                 | Pg. 16-20  |

|   |   |                               |
|---|---|-------------------------------|
| 401 – 2   | Benefits which are standard for full-time employees including: life insurance, health care, disability and invalidity coverage, parental leave, retirement provision, and stock ownership | Pg. 16-20                     |
| 401 – 3   | Total number of employees entitled to, took, and/or returned to work post-parental leave  | Pg. 16-20                     |
| <b>OCCUPATIONAL HEALTH &amp; SAFETY</b>         |   |                               |
| 403 – 1   | Details behind Fragrance Group's occupational health and safety management system   | Pg. 21-22                     |
| <b>ECONOMIC PERFORMANCE</b>                     |   |                               |
| 201 – 1   | Direct economic value generated and distributed   | Pg. 23 and 2017 Annual Report |
| <b>ENVIRONMENTAL COMPLIANCE/PRODUCT QUALITY</b> |   |                               |
| 307 – 1   | Fines and non-monetary sanctions for non-compliance with environmental laws and regulations   | Pg. 24-25                     |
| 416 – 2   | Incidents of non-compliance with regulations concerning product and service information   | Pg. 24-25                     |
| <b>TRANSPARENT GOVERNANCE AND CORRUPTION</b>    |   |                               |
| 205 – 3   | Number and nature of confirmed incidents of corruption  | Pg. 26-28                     |
| Non-GRI   | Details behind Fragrance Group's policy regarding transparent governance, securities dealing, and corruption  | Pg. 26-28                     |
| <b>COMMUNITY ENGAGEMENT</b>                     |   |                               |
| Non-GRI   | Details behind Fragrance Group's stakeholder engagement communication and mechanisms, impact assessments and grievance protocols  | Pg. 29-30                     |
| <b>ENERGY/WATER</b>                             |   |                               |
| Non-GRI   | Electricity, water and waste consumption rates (with corresponding emission load) reported granularly based on select properties  | Pg. 31-36                     |





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