



United  
Engineers  
Limited

# ENHANCING<sup>🌿</sup> SUSTAINABILITY

## SUSTAINABILITY REPORT 2017

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## SUSTAINABILITY REPORT 2017



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# GROUP MANAGING DIRECTOR'S STATEMENT

The Group intends to adopt a systemic, holistic and integrated approach to further integrate sustainability in our business practices.

As United Engineers Limited and its subsidiaries (the "Group") completes substantially the strategic portfolio alignment of its businesses including divesting non-core businesses, we have been formalising and implementing sustainability practices across our key business units. In setting the strategic direction for the Group, the consideration of sustainability issues as part of our growth strategy is important. The Board has identified Environmental, Social and Governance (ESG) topics which are material to our core business. With the support from Senior Management, various initiatives are implemented and monitored by the Board. Taking into account the interests of all its stakeholders, the Group upholds our commitment to managing and growing the business sustainably.

As we embark on our sustainability reporting journey, the Group intends to adopt a systemic, holistic and integrated approach to further integrate sustainability in our business practices.

In line with the guidelines provided by SGX, with application of the appropriate framework i.e. GRI Standards, the Group strives to continue engaging with all our stakeholders to better understand and communicate our sustainability priorities. Whether in developing new buildings or in our manufacturing and other operations, we will comply with the relevant laws and regulations as well as minimise our impact to the environment. Moving forward, we will also continue to treat the health and safety of our customers, tenants and staff with utmost importance, and rigorously uphold our ethos and sound business practices.

**MR TAN CHEE KEONG ROY**

Group Managing Director

Non-Independent and Executive Director

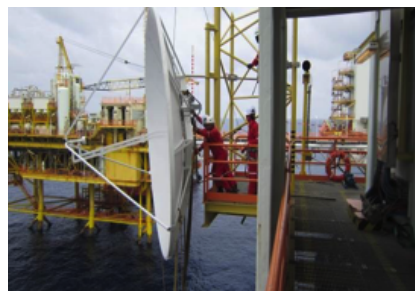
# ABOUT UNITED ENGINEERS LIMITED

Founded in 1912, United Engineers Limited ("UEL" or the "Company") is one of Singapore's pioneer companies which played a crucial role in the physical landscape and economic development of Singapore. Building on its early engineering roots, the Group has evolved into a dynamic corporation with key business activities in Property Rental and Hospitality, Property Development, Engineering and Distribution as well as Manufacturing today.

## Property Rental and Hospitality



## Engineering and Distribution



## Manufacturing



## Property Development

# ABOUT THE REPORT

UEL is pleased to introduce its inaugural Sustainability Report (SR) prepared in accordance with Singapore Exchange Securities Trading Limited (SGX-ST) Mainboard Listing Rule 711(B) and internationally recognised Global Reporting Initiatives (GRI) Standards – ‘Core’ reporting requirements. This inaugural Sustainability Report covers UEL’s Property Rental & Hospitality and Property Development<sup>1</sup> operations in Singapore from 1 January 2017 to 31 December 2017 (FY2017). Data from previous year is presented, where possible, for comparative purposes. Figure 1 below shows the properties under this reporting scope.



\* UE BizHub EAST was divested in November 2013. UEL continues to operate the business hotel and serviced offices of Park Avenue Changi as well as manage the business park and retail space.

Figure 1: Properties under Scope of FY2017 SR<sup>2</sup>

Taking a phased approach, UEL intends to further expand the reporting scope to include overseas property businesses, and other core business segments in subsequent reports. External assurance has not been sought for this year's report, however, we intend to do so in the coming years as our reporting matures.

As we embark on our sustainability journey, we look forward to your continued support and welcome any feedback or comments. Please address all queries to [ir@uel.sg](mailto:ir@uel.sg). For more information on UEL, please visit <https://uel.sg>

<sup>1</sup> Property Development involves the development, marketing and sales of residential, commercial, industrial, mixed-use and build-to-suit properties.  
<sup>2</sup> Eight Riversuites was a property held for sale and obtained temporary occupation permit in January 2016. As such, performance data for this property is excluded from this SR.  
<sup>3</sup> UE BizHub CITY is a mixed-use development which comprises office, hospitality and retail components, of which hospitality and retail components are being known as Park Avenue Clemenceau and UE Square Shopping Mall respectively.

# ABOUT THE REPORT

## SUSTAINABILITY GOVERNANCE STRUCTURE

Spearheading the Company’s sustainability strategy is the Sustainability Advisory Panel which comprises Group Managing Director and senior management. It is supported by the Sustainability Working Committee comprising representatives from strategic business units and relevant departments from the Corporate Office. This working committee helps to ensure continued growth and monitor progress in areas relating to environment, social and governance, as well as inculcating sustainability practices to all staff. The Group Managing Director is responsible for updating the Board of Directors annually on sustainability management performance, key material matters identified by stakeholders, and follow up measures or actions.






Figure 2: UEL’s Sustainability Governance Structure



# STAKEHOLDER ENGAGEMENT

Active stakeholder engagement is of paramount importance to UEL. With better understanding of the stakeholders' interests and concerns, this can guide the Group to effectively allocate requisite resources and to manage these expectations. Figure 3 summarises the approach UEL takes towards engaging its stakeholders.

Stakeholder Groups	Key Concerns / Interests Raised by Stakeholder Groups	UEL's Response	Methods of Engagement	Frequency of Engagement
 Investment community (Institutional and retail investors, analysts and the media)	<ul style="list-style-type: none"> <li>• UEL's growth strategy and market outlook</li> <li>• Business operations and performance.</li> </ul>	<ul style="list-style-type: none"> <li>• Transparent and timely communication of both financial and non-financial information</li> <li>• Maximise shareholder returns, maintain good corporate governance for continued business success</li> </ul>	Annual General Meeting (AGM)	Annually
			Financial results announcements	Quarterly
			Meetings with analysts and investors	Quarterly after financial results announcements or as required
			Conference calls	As required
			Announcements and news released on UEL's corporate website	Ongoing
 Customers (Tenants and hotel guests)	<ul style="list-style-type: none"> <li>• Customer satisfaction</li> <li>• Quality of UEL's services and property assets</li> </ul>	<ul style="list-style-type: none"> <li>• Timely response and prompt follow-up actions taken to address customers' feedback</li> <li>• Conducting regular maintenance and repair of property and hospitality assets</li> <li>• Close monitoring of property and hospitality assets through frequent inspections</li> </ul>	Meeting with tenants	As appropriate
			Guest Satisfaction Survey (Hospitality)	Ongoing
			Feedback and reviews received through social media (Hospitality)	Continuous
			Festive giveaways	Ongoing
 Employees and workers	<ul style="list-style-type: none"> <li>• Conducive, safe and healthy work environment</li> <li>• Competitive salary rates, equal remuneration, compensation and benefits</li> <li>• Training and development opportunities</li> <li>• Talent retention and career advancement</li> <li>• Employee wellness</li> </ul>	<ul style="list-style-type: none"> <li>• Adopt Tripartite Alliance for Fair and Progressive Employment's (TAFEP) five principles of fair employment practices</li> <li>• Performance appraisal system to review development of employees and identify potential staff for career advancement opportunities</li> <li>• Work and non-work related workshops and learning opportunities which improves both technical skillsets and employee wellbeing</li> </ul>	Staff appraisal	Annually
			Training and development programmes	Ongoing
			Employee feedback channel	Ongoing
			Staff motivation activities	Ongoing
			Health screening	Annually; Once every two years; once every three years <sup>4</sup>

<sup>4</sup> Frequency of health screening conducted is dependent on age of employees

# STAKEHOLDER ENGAGEMENT






Stakeholder Groups	Key Concerns / Interests Raised by Stakeholder Groups	UEL's Response	Methods of Engagement	Frequency of Engagement
 Suppliers and contractors	<ul style="list-style-type: none"> <li>Fair and unbiased treatment of contractors and suppliers</li> <li>Continued business with UEL</li> <li>Health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Conduct tenders in a fair and transparent manner</li> <li>Alignment of expectations between both parties through regular reviews</li> <li>Ensure that risk assessment relating to health and safety is performed by suppliers and contractors</li> </ul>	Meeting with suppliers and contractors	As appropriate
 Government and regulatory boards	<ul style="list-style-type: none"> <li>Compliance to all relevant laws and regulations in UEL's business operations</li> </ul>	<ul style="list-style-type: none"> <li>Ensure regulatory compliance to relevant socio-economic and environmental laws</li> <li>Participate in meetings and discussions with relevant government agencies to keep abreast with new developments</li> </ul>	Industry update meetings and policy awareness briefings	Ongoing
 Industry Peers	<u>Hospitality</u> <ul style="list-style-type: none"> <li>Exchange of information with industry peers through active networking</li> <li>Potential collaboration and business opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Participate in meetings and networking sessions to exchange views and network among industry peers</li> </ul>	Association meetings	Bi-monthly or quarterly
	<u>Property</u> <ul style="list-style-type: none"> <li>Exchange of information with industry peers through active networking</li> </ul>	<ul style="list-style-type: none"> <li>Participate in meetings and networking sessions among industry peers</li> </ul>	MCST council meetings and functions such as REDAS seminars	As appropriate
 Trade Unions	<ul style="list-style-type: none"> <li>Equal and fair treatment of employees</li> <li>UEL's timely response to employment related matters</li> </ul>	<ul style="list-style-type: none"> <li>Uphold good Human Resource (HR) practices at all times and maintain compliance with relevant labour laws</li> </ul>	Meetings with relevant trade unions	As appropriate
 Local Communities	<ul style="list-style-type: none"> <li>Responsible use of resources</li> <li>Supporting the community by helping the needy</li> <li>Foster strong ties with the community</li> </ul>	<ul style="list-style-type: none"> <li>Operating and growing the business in a socially responsible manner through efficient use and allocation of resources</li> <li>Support initiatives that focus on corporate giving through implementing Corporate Social Responsibility (CSR) practices</li> </ul>	Employee monthly giving through Community Chest's SHARE Programme	Monthly
			Charity walks such as Community Chest Heartstrings Walk	As appropriate
			Monetary and in-kind donations through Heart to Heart Service during Christmas	As appropriate

Figure 3: Stakeholder Engagement



# MATERIALITY ASSESSMENT PROCESS

At UEL, we aim to deliver value to all stakeholders through our business operations. With frequent interactions with stakeholders, UEL is able to identify material matters that are most relevant to their interests. Along with our independent sustainability consultants, a formal materiality assessment was conducted in 2017. The four-step materiality assessment approach is described in Figure 4 which has resulted in the top six material matters (five material matters and one additional matter) plotted on a materiality matrix (Figure 5). The material ESG factors were mapped to the relevant GRI Disclosures as shown in Figure 6.

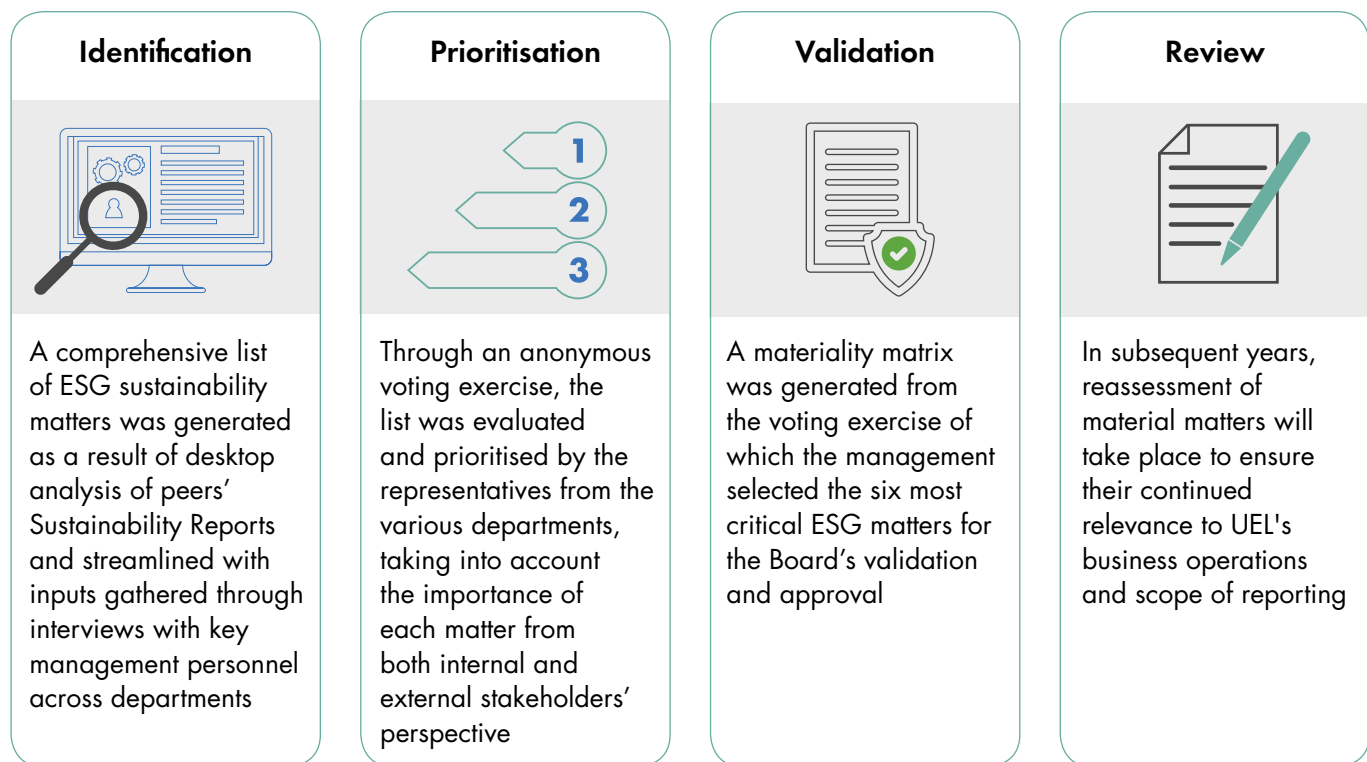


Figure 4: Four-Step Materiality Assessment Process

# MATERIALITY ASSESSMENT PROCESS

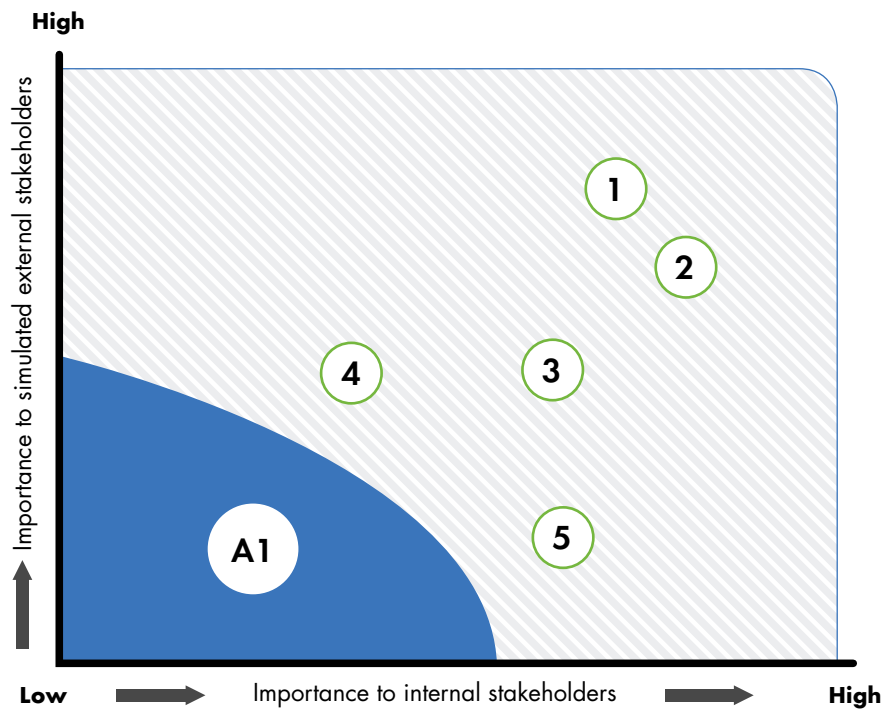


Figure 5: UEL's Materiality Matrix

No.	Material Matter	Category	GRI Topic Specific Disclosures
1	Regulatory Compliance	Governance	GRI 307: Environmental Compliance [307-1] GRI 419: Socio-economic Compliance [419-1]
2	Occupational Health and Safety	Social	GRI 403: Occupational Health and Safety [403-2]
3	Anti-Corruption	Economic	GRI 205: Anti-corruption [205-3]
4	Customer Health and Safety	Social	GRI 416: Customer Health and Safety [416-2]
5	Data Security and Customer Privacy	Social	GRI 418: Customer Privacy [418-1]
<b>Additional Matter</b>			
A1	Energy and Carbon Footprint	Environment	GRI 302: Energy [302-1, 302-3] GRI 305: Emissions [305-2, 305-4]

Figure 6: Mapping ESG Material and Additional Matters to GRI Topic Specific Disclosures

# CORPORATE GOVERNANCE

UEL is committed to maintaining high standards of corporate governance and transparency within the Group. By conducting business with integrity, honesty and through fair business dealings, we are able to continuously deliver the best to our customers and become their company of choice. Our Corporate Governance Report sets out our practices with reference to the principles and guidelines to the Code of Corporate Governance 2012 (Code 2012)<sup>5</sup>. For more information on our governance structure and relevant explanations, please refer to page 37 to 49 of our 2017 Annual Report.

UEL has in place the Code of Business Ethics (COBE) which sets out the business ethics and conduct to be fully abided by all employees in the Group. It communicates the standard business practices, procedures and conduct expected of all employees, guiding our employees in exercising sound and unbiased judgement while complying with all applicable laws and jurisdictions. Employees are encouraged to raise their concerns through formalised channels of reporting, should there be any potential violations of the COBE.

## ANTI-CORRUPTION

### Perpetual Target

Zero tolerance towards any incidents of corruption and unethical business conduct

### Performance for 2016

No reported incidents



### Performance for 2017

No reported incidents



The COBE sets out the standard practices and procedures in areas relating to (i) gifts, loans and entertainment, (ii) direct and/or indirect interest, (iii) business involvement outside the Group and (iv) Employee's Code of Conduct, covering the following:

- › Maintain high standards of honesty and integrity
- › Loyalty to the Group
- › Uphold the Company's reputation and brand name
- › Uphold high moral values
- › Manage conflict of interest
- › Conscious efforts to ensure business is carried out in a cost-effective manner

Upon employment with the Group, all new employees are given a set of COBE and are required to confirm via a Certificate of Compliance that they have read and understood the COBE. Since 2015, employees are required to refresh their confirmation of compliance to the COBE through signing of an annual declaration of compliance. In 2017, we have achieved full 100% communications to all employees on annual declaration of compliance to the COBE. Employees are also able to access the COBE through UEL's intranet as and when needed.

UEL does not tolerate any form of corrupt or unethical behaviour. We encourage all employees to raise concerns about possible improprieties relating to financial reporting, internal controls, accounting, audit and/or any violation of the COBE through formalised channels which include our internal hotline and email. Additionally, reports can be made directly to any member of the senior management, Chairman of the Audit Committee or Board of Directors. The Whistleblowing Policy serves to facilitate reporting of any incidents or concerns through a formalised set of procedures as detailed in Figure 7.

<sup>5</sup> The revised Code of Corporate Governance (2018 Code) issued in August 2018 supersedes the 2012 Code and will apply to annual reports issued for financial years commencing from 1 January 2019. UEL will revise its Corporate Governance Report accordingly to be in compliance with the 2018 Code



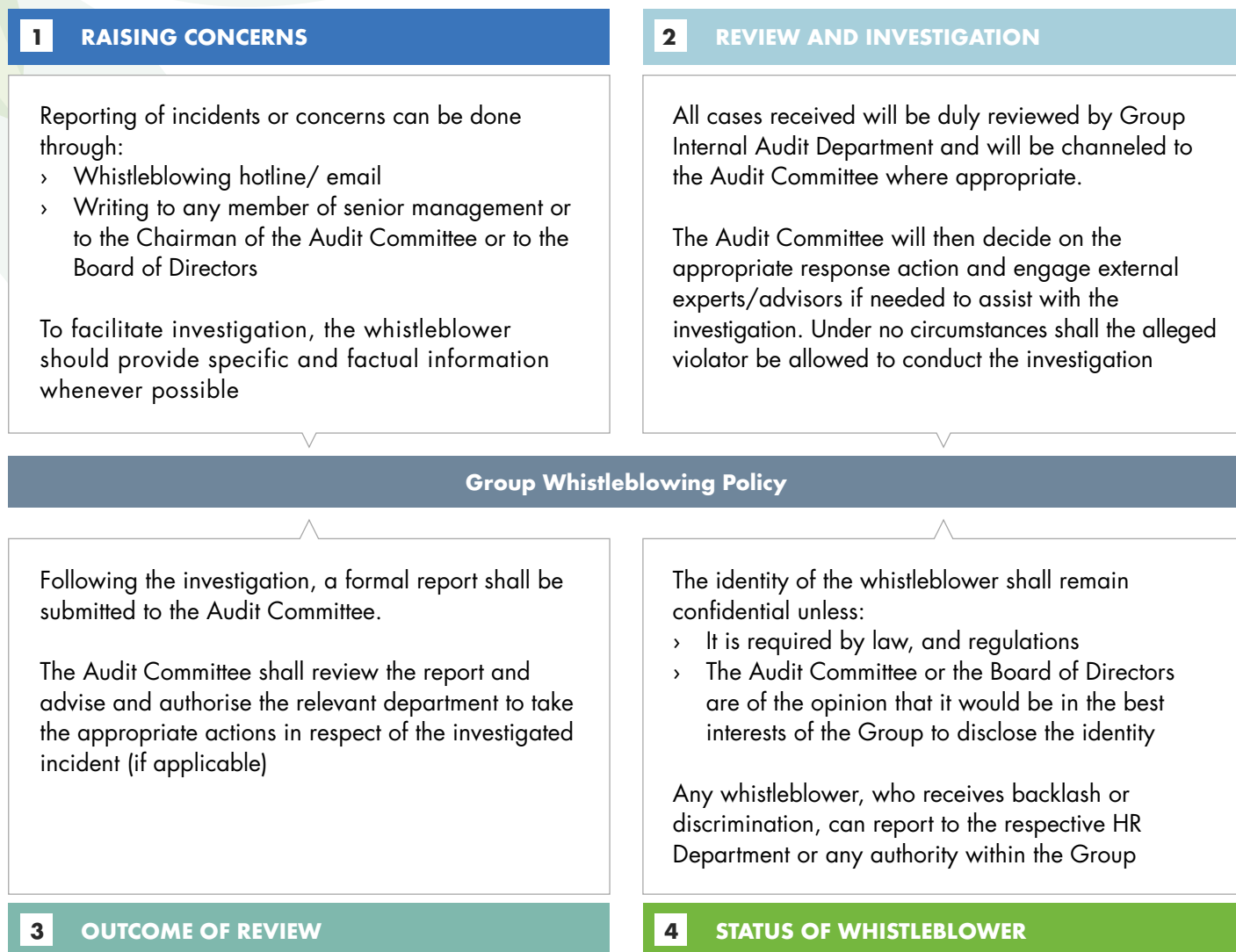


Figure 7: Group Whistleblowing Policy

Reflective of our efforts, there were no cases of corruption reported in 2016 and 2017.

## REGULATORY COMPLIANCE

<p><b>Perpetual Target</b>                  Zero reported cases of non-compliance in areas of socioeconomic and environmental aspects</p>	<p><b>Performance for 2016</b>                  Zero incidents of non-compliance ✓</p>	<p><b>Performance for 2017</b>                  Zero incidents of non-compliance ✓</p>
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UEL strives to ensure that the operations of the Group are in compliance with all relevant laws and regulatory requirements in countries we operate in. Similarly set out under COBE, internal controls have been put in place to ensure compliance is embedded in our business practices. In 2016 and 2017, there were no reported cases of non-compliance in environmental and socioeconomic aspects. By proactively identifying and responding to new developments of rules and regulations in the sectors in which we operate, we hope to maintain our excellent performance in the years to come.

# SOCIAL: OUR PEOPLE

## EMPLOYEE PROFILE

UEL recognises that our employees are central to our business. Since 2017, the Group has been a signatory towards TAFEP<sup>6</sup>'s principles of fair employment practices. All our employees are recruited based on merit regardless of age, race, gender, marital status, family responsibilities, or disabilities. We make a conscientious effort in ensuring that employees are provided with equal opportunities for training, development and career progression.

In 2017, our headcount in the Property Rental and Hospitality division in Singapore decreased slightly from 317 to 310. In terms of gender diversity, our workforce is made up of females at 64% and males at 36%. This is due to the business sectors as well as the nature of work, and is primarily attributed to a majority of our front desk and Rank & File<sup>7</sup> employees in the Hospitality division comprising more females. Additionally, our employees in the Leasing & Marketing within the Property Rental division are also mostly females.

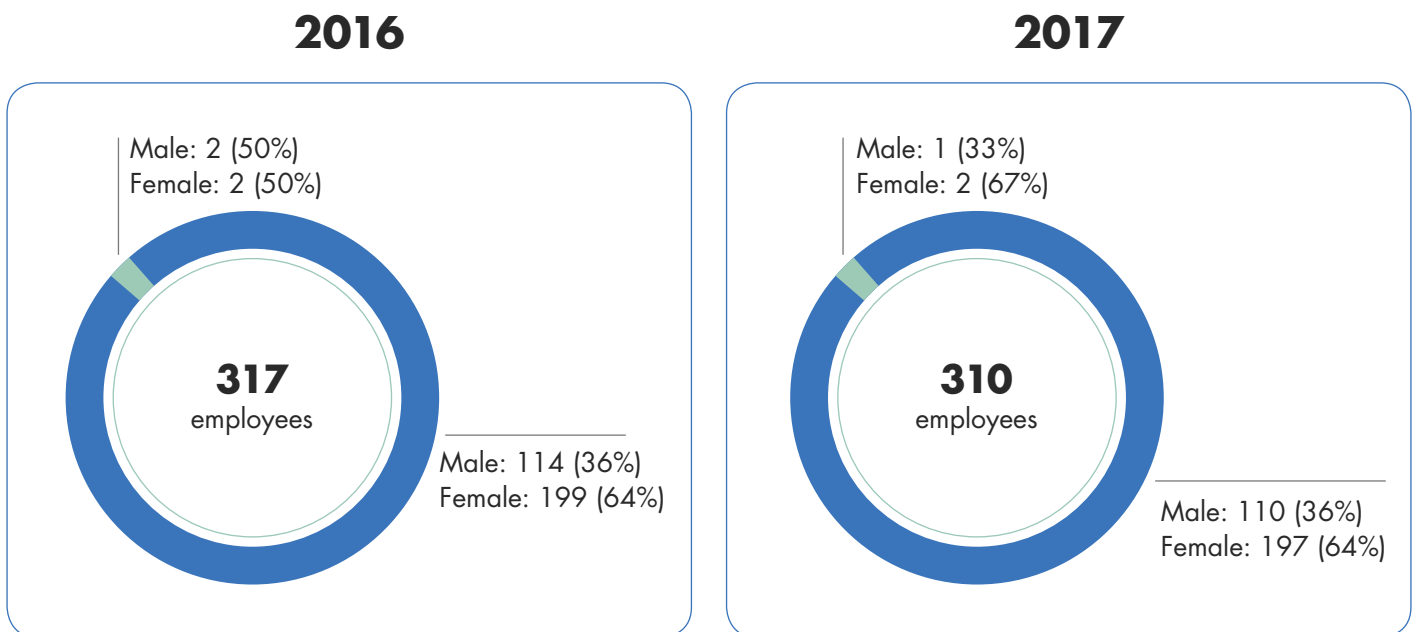


Figure 8: Composition of Workforce by Employment Contract and Gender

● Temporary  
 ● Permanent

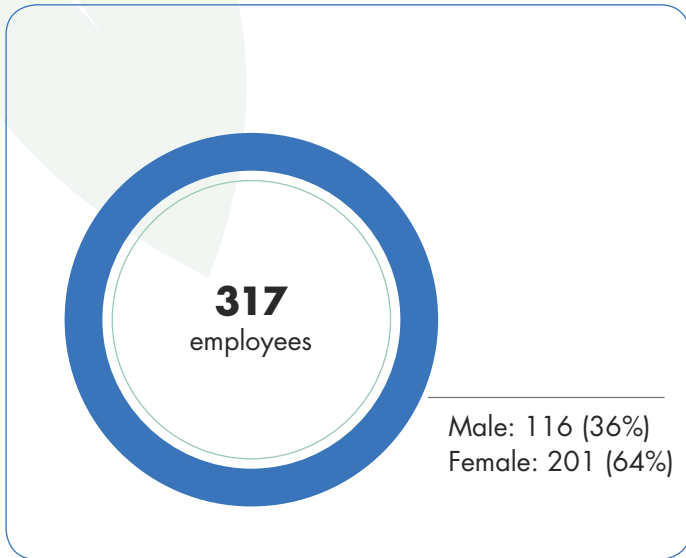
In addition to permanent employees, we also have a pool of 55 contracted staff for outsourced security and cleaning services. Our employment breakdown by employment type and category are detailed in Figure 9 and 10.

<sup>6</sup> The Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP) promotes the adoption of fair, responsible and progressive employment practices among employers, employees and the general public.

<sup>7</sup> Rank & File employees comprise room attendants, linen attendants under the Hospitality division

# EMPLOYEE PROFILE

**2016**



**2017**

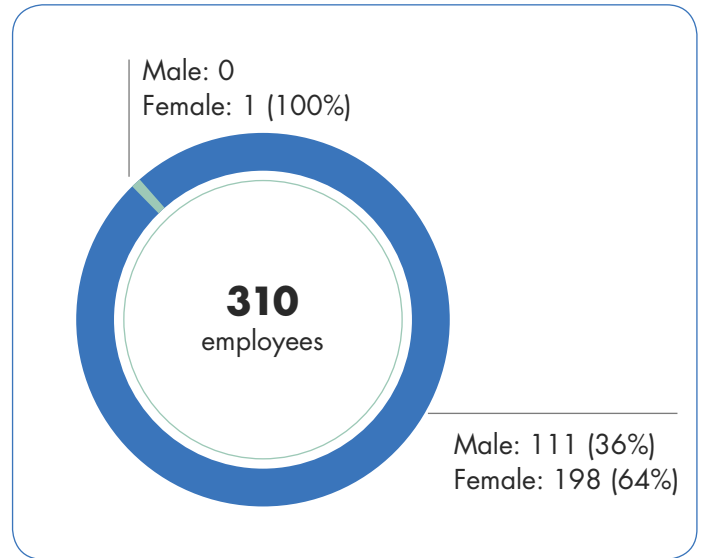


Figure 9: Composition of Workforce by Employment Type and Gender

● Part-time  
 ● Full-time

UEL's employee profile in 2017 is showcased in Figure 10.

**2017**

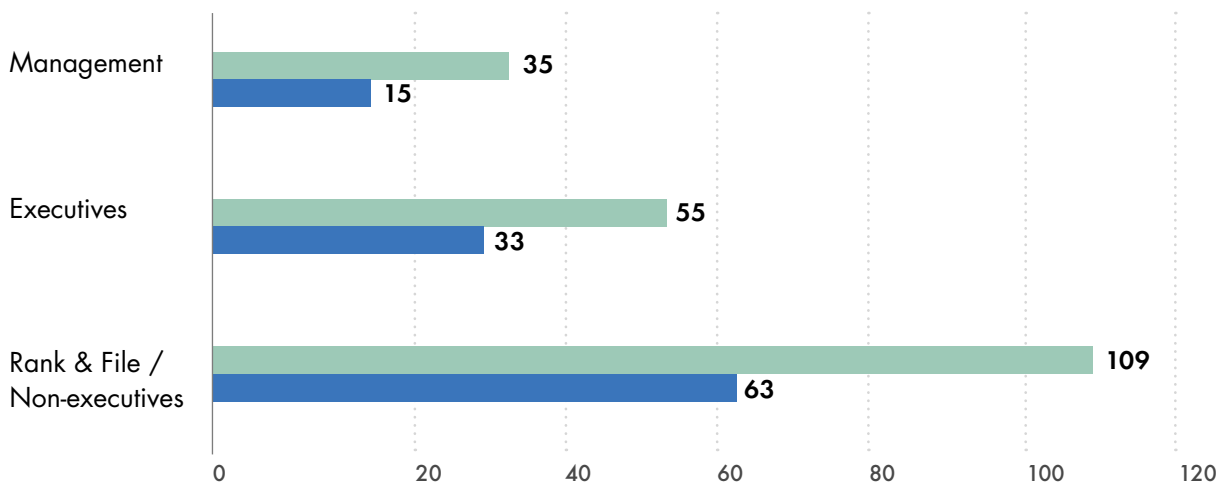


Figure 10: Composition of Workforce by Employment Category and Gender

● Female  
 ● Male



# OCCUPATIONAL HEALTH AND SAFETY

<b>Perpetual Target</b> Zero work-related fatality rate	<b>Performance for 2016</b> Zero fatalities 	<b>Performance for 2017</b> Zero fatalities 
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With employees being our most valuable assets, the Group is committed towards ensuring high standards of health and safety at its workplace. This is instrumental in ensuring a healthy workforce, who can work confidently in a safe environment, which in turn allows us to deliver the best services to our customers. Headed by the Group Managing Director, the Group Occupational Safety and Health (OSH) Committee and the supporting committee members from each of the business operations commit towards upholding the highest standards of OSH at UEL.

The UE Group OSH policy (Figure 11) outlines the Group’s universal value and standard towards occupational safety and health, and signifies our firm commitment towards providing and maintaining a safe and healthy workplace environment for all employees. Together with its motto “Make Safety and Health Our Way of Life”, the Group strives to promote safety and health culture among its employees and seeks to continuously improve OSH performance through ongoing training and education as well as eliminating unsafe work practices so as to develop and maintain a sustainable safe and healthy workplace for all stakeholders.

- U**phold universal occupational safety and health standards for all stakeholders;
- N**ever compromise on compliance with relevant regulations, legislations and other requirements;
- I**mprove occupational safety and health performance at all workplaces;
- T**rain and educate all staff on workplace safety & health, and emergency preparedness;
- E**liminate unsafe work practices, conditions and acts; and
- D**evelop and maintain a safe, secure and healthy workplace.

Figure 11: UE Group Occupational Safety & Health Policy – “UNITED”



To equip our employees with basic principles and tools in ensuring safe operations in the workplace, the Group has implemented OSH manuals with standard procedures and practices to minimise occurrence and impact of workplace incidents and occupational diseases. We have in place an in-house Safety Incident Report (SIR) system which employees can use to report accidents that occur in the workplace. Other OSH-related matters can be raised through a dedicated OSH email account. All emails received will be processed and re-directed to the designated members of the Group OSH Committee and relevant department for necessary follow up actions.



In 2017, we are pleased to disclose that we have met our perpetual target of zero work related fatalities including zero workplace injuries that resulted in permanent disabilities of employees or workers. Nonetheless, there was one reported case of work-related hand injury sustained by an employee resulting in the increase in safety statistics in 2017. Following the incident, the management conducted thorough investigation and all necessary follow up and precautionary actions were taken to prevent recurrence.

OSH Performance	2016	2017
Number of injuries <sup>8</sup>	0	1
Accident Frequency Rate (AFR) <sup>9</sup>	0	1.1
Accident Severity Rate (ASR) <sup>10</sup>	0	56
Absenteeism Rate	2.05%	2.37%

Figure 12: UE Group OSH Performance<sup>11</sup>

In addition to OSH performance indicators, we perform regular workplace inspections based on a comprehensive internal checklist to ensure workplace is safe for all. Employees are provided with the relevant Personal Protective Equipment (PPE) necessary to complete their work safely. These PPE are inspected regularly to ensure they are in good working condition. Proper and strategic placement of first aid kits and Automated External Defibrillator (AED) are available across all our properties in Singapore. Given the substantial amount of time employees spent indoors in our offices, periodic Indoor Air Quality (IAQ) tests are conducted to improve indoor air quality of air-conditioned office premises and ensure they lie within acceptable parameters for a safe and healthy workplace.

As part of our safety management systems, ad hoc site inspections are conducted, and areas of concern will be recommended for improvements. When engaging vendors/contractors for its projects, their safety track records are considered and preference is given to those who are bizSAFE-certified. Quarterly, OSH management representatives of the business units are kept updated on health and safety matters and legal requirements, ensuring that we remain compliant to all relevant laws and regulations. Annually, internal and external audits are conducted to ensure that our safety standards are aligned with internationally recognised standards. We are OHSAS 18001:2007 and SS506 Part 1:2009 certified. Our hotels and serviced apartments have also been conferred bizSAFE Star level. We are proud to have achieved zero cases of breaches in regulations and we endeavour to maintain this track record.

The Group has held various trainings and workshops to educate employees on first-aid training (CPR and AED), anti-terrorism (SGSecure), fire safety and safe work practices to raise awareness amongst our employees. Recognising the importance of employees' health and well-being, the Group also organised talks and workshops on health and wellness topics. In addition, employees are covered by health insurance, and health screening benefits are extended to eligible employees. With adequate training programmes and the firm commitment of the management in ensuring a safe and healthy working environment, we strive to further improve the overall safety and health performance at UEL.

<sup>8</sup> According to Ministry of Manpower (MOM), a reportable accident is one which results in the death of an employee or is given more than three days of medical leave or hospitalised for at least 24 hours

<sup>9</sup> AFR is defined as the number of injuries for every one million man-hours worked

<sup>10</sup> ASR is defined as the number of man-days lost to injuries for every one million man-hours worked

<sup>11</sup> The total number of man-hours worked used in tabulation of safety statistics includes that of resignees and overtime as we maintain responsibility for resignees' safety and health during their employment with UEL.

# SOCIAL: OUR CUSTOMERS

## CUSTOMER HEALTH AND SAFETY HOSPITALITY

### Perpetual Target

Zero regulatory summons received on non-compliance with safety laws and regulatory requirements for all hotels

### Performance for 2016

Zero summons received



### Performance for 2017

Zero summons received



We want our guests to have a peace of mind during their stays with us or when using various amenities and facilities available at our hotels and serviced apartments. The Group places a strong emphasis on creating a safe and welcoming environment across all our properties. Through the health and safety measures put in place, we seek to comply with relevant safety laws and regulations to be one of the best in this industry.

Under our Business Continuity Plan, the Crisis Communication Plan coordinates crisis communications during major incidents and disasters in Singapore. Managed by the Crisis Communication Team (CCT), this document is updated annually or when significant changes occur. It communicates the actions to be taken and sets out communication guidelines to all stakeholders, ensuring proper management of any crisis which may take place at any of our properties under United Engineers Park Avenue International (UEPAI)<sup>12</sup>.

In addition, a comprehensive set of Security Standard Operating Procedures (SOPs) provides guidance to our employees on actions to be taken on a day-to-day basis and when dealing with the following situations:

- › Standing Orders
- › Customer Service and Interaction with Guests
- › Customer Service Crisis Prevention and Response
- › Securing and Maintaining Guests' Privacy
- › Guest Accidents
- › Lift Breakdown
- › Power Failure
- › Robbery/Theft
- › Armed hostage-taking

We proactively work towards identifying and mitigating these risks. Regular internal and external audits are conducted to ensure that we are in compliance with our SOPs and also to achieve ISO certification in Business Continuity Management<sup>13</sup> (ISO 22301:2012) as well as Quality Management System<sup>14</sup> (ISO 9001:2015). For non-compliances identified through external audits, we obtain recommendations and rectify them in a timely manner. In the following year, internal surveillance audits would be conducted by our Internal Audit (IA) department to ensure that all non-compliance matters identified are addressed.

<sup>12</sup> United Engineers Park Avenue International (UEPAI) is the Hospitality division of UEL and the properties include all Park Avenue hotels and serviced apartments as shown in Figure 1.

<sup>13</sup> Certified date as of 14 March 2017

<sup>14</sup> UEPAI and all four Park Avenue hotels and serviced apartments are ISO 9001:2015 certified as of 7 Nov 2017



At each of our properties, we have a dedicated Fire, Health and Safety committee which ensures compliance with regulations such as Workplace Safety and Health Act and Fire Safety Act through implementation of various practices. They are tasked to keep abreast of safety issues relating to the hospitality industry. As evidenced by our efforts, we have not received any summons relating to non-compliance of safety laws and regulatory requirements in year of 2016 and 2017. Figure 13 documents the initiatives that ensure our guests' health and safety.

Across all properties, equipment and devices are installed and maintained regularly:

1. CCTVs in operation 24/7 to ensure safety of guests
2. Fire extinguishers and fire hose risers located at prominent locations
3. Room sprinklers and smoke detectors installed in all guest rooms and corridors
4. Automated External Defibrillator (AED) installed in all property lobbies
5. Pool safety devices (i.e. life buoys placed at all swimming pools)

Staff are sent on courses to be equipped with life-saving skills and attain relevant certifications

1. CPR and AED Course
2. Basic First Aid Course
3. Workforce Skills Qualification (WSQ)<sup>15</sup>  
 Recognise Terrorist Threats
4. WSQ Respond to Fire Incident In Workplace

Involvement of guests in annual fire drills to ensure that everyone is familiar and aware of the safety escape routes in our hotels and serviced apartments.

Speed of evacuation and attendance will be duly recorded and submitted to Singapore Civil Defence Force (SCDF) to renew the Fire Certificate across all properties.

Figure 13: Initiatives and Actions Taken Towards Ensuring Health and Safety of Guests

#### Case Study: Providing the Best for our Guests

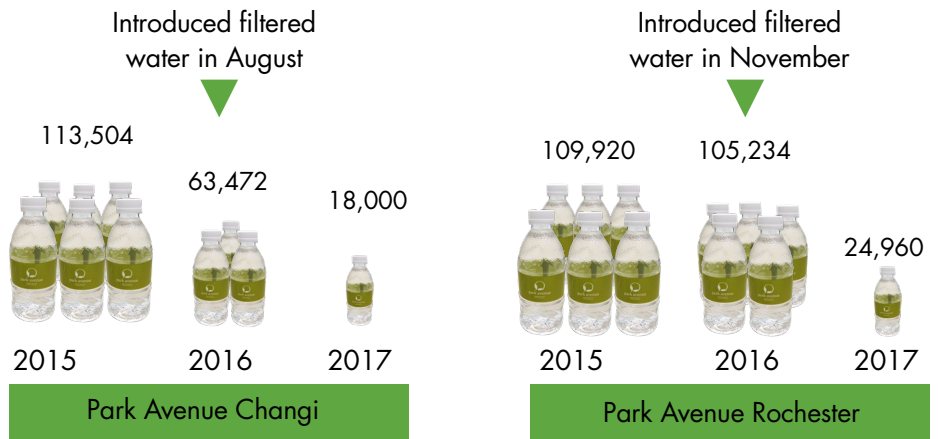
In 2015, we kick-started our go-green efforts starting from the use and distribution of paraben-free amenities. As we take progressive steps, we are looking to enhance our practices under this program to uphold highest levels of health and safety for our guests and making them feel well taken care of during their stay with us.



<sup>15</sup> Workforce Skills Qualifications (WSQ) is a national credential system that trains, develops, assesses and certifies skills and competencies for the workforce.

Since 2016, we have also replaced bottled water with the use of water filters to provide fresh, premium water to our guests. Quality of water is tested every six months. We have recorded excellent results since its installation with a reduction in bottled water consumption by almost 90% (approximately 94,000 bottles) achieving cost savings of about \$28,000 at each hotel. Currently implemented at Park Avenue Changi and Park Avenue Rochester hotels, we are looking to expand this to the two serviced apartments.

**REDUCTION IN PLASTIC BOTTLED WATER**



What our guests say:



**“Pleasantly surprised to have water filter in the room, a good effort to save the environment and move away from using bottled water.”**

Heng Lee Chee,  
 Park Avenue Rochester  
 (31 Jan – 2 Feb 2017)

**“Filtered drinking water is highly appreciated and good for environment.”**

Peggy Wong,  
 Park Avenue Rochester  
 (30 Apr – 1 May 2017)

**“Good use of water filter in the room instead of bottled water. Save the environment!”**

Li Zhen Phoebe Tan,  
 Park Avenue Rochester  
 (27 – 28 May 2017)

**“I love the cleanliness of the room and that it provides filtered drinkable water instead of bottled water. Very eco-friendly!”**

Qiuru Chen,  
 Park Avenue Changi  
 (11 – 13 Dec 2017)

**Supply Chain**

In order to ensure our customers’ health and safety, we also ensure that our contractors and service providers adhere and comply with laws and regulations. Our major suppliers consist of service providers for cable television, food and beverages, laundry cleaning, maintenance and contracting works including air-conditioning as well as chilled water supply. In order to provide an improved environment for our guests, we adopt supplies that are environmentally-friendly and energy-efficient such as installing energy saver key card switch and bio-degradable room amenities. Guests are also strongly encouraged to join in our efforts to practice 3Rs (Reduce, Reuse, Recycle). For example, newspapers are only offered at lobbies to reduce paper wastage and guests are encouraged to change linen every alternate day.



## PROPERTY

### Perpetual Target

Conduct regular customer satisfaction surveys in relation to provision of health and safety in our spaces

### Performance to be reported by 2020

Performance will be reported by 2020 being the first year of implementation.

It will also be taken as the base year for comparison.

As our tenants, customers and employees utilise and spend substantial amount of time within our spaces, we pay close attention to their expectations to ensure their health and safety. This is regarded as a key business objective of UEL as a property owner and building manager. With good tenant health and safety in our business practices, we maintain tenants' satisfaction levels with services rendered and pave the road towards continued business in the future.

Currently, we are working towards implementing policy aimed at tracking tenant satisfaction levels, focusing on health and safety in maintenance aspect of the spaces we lease out. Targeted to be rolled out by 2020, surveys will be conducted to assess our tenants' satisfaction levels. The survey will cover areas such as working environment and ambience (which takes into account matters including quality of air-conditioning, lighting of work surroundings and other factors which are of concern to tenants).

We look towards gathering results through this survey to guide us on improving customer service. Not only will this identify areas where we are performing well, it will also indicate the areas for improvements which will allow us to effectively allocate requisite resources.

Led by the Head of Property Management, the Property OSH Sub Committee is responsible for ensuring regular checks and maintenance works are conducted to ensure a safe and healthy work environment for all our tenants. Regular checks and maintenance work have been conducted on both tenanted and common areas.

We encourage all relevant stakeholders to raise any matters relating to the health and safety aspect through email to our Property Management Department. Every matter is raised directly to the Management Representative (MR) for further actions to be taken. It is mandatory for an Incident Investigation Report comprising information of the incident and relevant supporting documents to be submitted within 24 hours. Subsequently, it will trigger the appropriate investigations procedures, including interviews with relevant parties. With such SOPs in place, relevant and appropriate actions can be taken to prevent any recurrence.

In 2016 and 2017, we have not received any cases filed through this reporting channel. In addition, we have also received zero cases of non-compliance concerning health and safety which would otherwise result in fines, penalties, warnings or breaches of voluntary codes within our business operations.

### Supply Chain

There were no significant changes to the Property division's supply chain in 2017. Our major service suppliers and term contractors are engaged directly by the management at each property, ensuring that they comply with all relevant laws and regulations. Across our properties, majority of our contractors comprises security, cleaning and lift maintenance services. We have also implemented Building Management Systems (BMS) to monitor and manage the property's mechanical and electrical equipment such as ventilation, lighting, power, heating, air-conditioning and security systems.



## DATA SECURITY AND CUSTOMER PRIVACY

Perpetual Target	Performance for 2016	Performance for 2017
Maintain relevance of Data Protection Policy through regular update	✓ In accordance	✓ Ongoing and in accordance
Act in accordance to Data Management Policy	✓ In accordance	✓ Ongoing and in accordance
Zero substantiated complaints concerning personal data protection	✓ Zero substantiated complaints	✓ Zero substantiated complaints
Zero cases of identified leaks, thefts or losses of customer data	✓ Zero cases reported	✓ Zero cases reported
Conduct Cyber Awareness Training for all employees every 2 years	N.A Target yet to be set Training commenced in 2017	✓ Achieved 100%

The nature of our business requires that time and capital be allocated efficiently to collect and process data to improve sales, customer service and operations efficiency. Technological advances have made it easier to manage a wide range of information about our customers, vendors and employees. All businesses that utilise computer systems are vulnerable to risks associated with system breaches. A breach can severely impact the operational stability and financial growth of the Group. It is therefore imperative to understand the risks associated with such systems and develop plans to mitigate these risks and respond accordingly.

Maintaining customer privacy and security of data and management systems are of utmost importance to UEL. Figure 14 provides an overview of our policies and procedures that we have put in place to manage this issue. In 2016 and 2017, there were no substantiated complaints concerning breaches of customer privacy and no known cases of identified leaks, thefts or losses of customer data at UEL – a record which we aim to maintain in the coming years.



Policy	Purpose	Practices and Actions Taken
Data Protection Policy	<p>This policy informs our customers, vendors, employees and various stakeholders of the Group's management of personal data which is in compliance to Singapore's Personal Data Protection Act 2012 (PDPA)</p> <p>As detailed in the policy, it sets out the purpose for which the Group collects, uses, and discloses Personal data</p>	<ul style="list-style-type: none"> <li>&gt; Policy is updated as and when required consistent with future development, industry trends or any changes in legal or regulatory requirements</li> <li>&gt; The Group subscribes to PDPA newsletter to keep abreast on latest developments</li> <li>&gt; Attend seminars on latest update on PDPA</li> <li>&gt; Communicate and advise staff on PDPA news and actions required</li> <li>&gt; Dedicated email address for any related question or feedback relating to personal data or the policy which is addressed to Data Protection Officer at DPO@uel.sg</li> </ul>
Data Management Policy	<p>This policy describes general principles of management, security and access that should be applied in order to maintain the value and guarantee effective use of the Group's data and information</p>	<ul style="list-style-type: none"> <li>&gt; Daily offline tape backup to manage ransomware attacks</li> <li>&gt; Yearly Disaster Recovery (DR) exercises conducted to ensure functionality of DR processes when incidents occur</li> <li>&gt; Yearly ethical hacking trial for Proof of Concept (PoC)</li> <li>&gt; Yearly or alternate yearly internal and external due diligence</li> <li>&gt; Regular General Information Technology (IT) controls and Data Security Management audits</li> <li>&gt; For information relating to data security breaches will be handled by Group IT</li> </ul>
Cyber Security Policy	<p>This policy covers the company's network, infrastructure and computer systems security and threat prevention intended for all employees to reduce the risk of cyber attacks</p>	<ul style="list-style-type: none"> <li>&gt; Cyber Awareness:                             <ul style="list-style-type: none"> <li>&gt; Communicate to employees via electronic direct mails (EDM) on latest news including recent cyber-attacks and preventive measures</li> <li>&gt; Mandatory cyber security training for all employees</li> <li>&gt; Prescribed training for various user groups</li> <li>&gt; Display of posters and signs to instil cyber awareness culture</li> </ul> </li> </ul>

Figure 14: Overview of Policies and Practices on Customer Privacy and Data Security

# ENVIRONMENT

## ENERGY AND CARBON FOOTPRINT

UEL believes in operating and growing our business in an environmentally responsible manner. Not only does the proper management of energy consumption minimise the Group's impact on the environment, it also translates to cost savings in the form of lowered utility bills. As we embark on our sustainability journey, we are in the process of formalising environmental policies focussed on our commitment to reduce carbon emissions through the enhancement of our energy performance and efficiencies across all operations. Starting 2017, we strive towards these commitments:

- › Improve energy efficiency and reduce environmental impact in the Property and Hospitality divisions
- › Comply with relevant environmental regulations and requirements
- › Reduce waste and encourage recycling among employees
- › Procurement of environmental friendly products

Currently, we are also working towards refining our data collection process. With a systematic method of collecting and monitoring data in place, we will be able to better analyse consumption trends. This will also guide us towards better formulation of energy initiatives and assessments of targets in subsequent years.

Perpetual Target	Performance for 2016	Performance for 2017
Reduce energy intensity by 5% for Hospitality division and 8% for Property division, over a 5-year period with 2016 as base year	N.A Base year for calculation	IN PROGRESS Hospitality: 5% reduction Property: 7% reduction
Achieve BCA Green Mark (Gold Rating) for all New Property Development in Singapore	These targets have been established for adoption with effect from 2018. Progress and results will be reported in the next Sustainability Report	
Achieve minimum BCA Green Mark Certification for Existing Commercial Buildings		



## HOSPITALITY

Our Hospitality division's main source of energy comes from purchased electricity, resulting only in Scope 2<sup>16</sup> Greenhouse Gas (GHG) emissions. They are emissions resulting from the generation of purchased electricity expressed in tonnes of carbon dioxide (CO<sub>2</sub>).

In 2017, electricity consumed decreased by 1% from 6,155 MWh in 2016 to 6,234 MWh, which translates to indirect (Scope 2) GHG emissions<sup>17</sup> being increased from 2,612 tonnes CO<sub>2</sub> in 2016 to 2,646 tonnes CO<sub>2</sub>. The increase in electricity consumption was mainly attributed to the higher occupancy rate in Park Avenue Rochester and Park Avenue Changi<sup>18</sup>.

On the other hand, the building energy intensity and Scope 2 GHG emissions intensity reduced by 5% in 2017. This was mainly due to more efficient energy usage after the conversion of some suite rooms to standard rooms in Park Avenue Rochester. Several energy saving initiatives rolled out in the year; such as the replacement of conventional lights to more energy-efficient Light Emitting Diodes (LED) lights in corridors and guest rooms have helped to mitigate our electricity usage. As we work towards implementing more of such initiatives, coupled with sensible usage of energy, we hope to further optimise electricity usage across all hotels and serviced apartments.

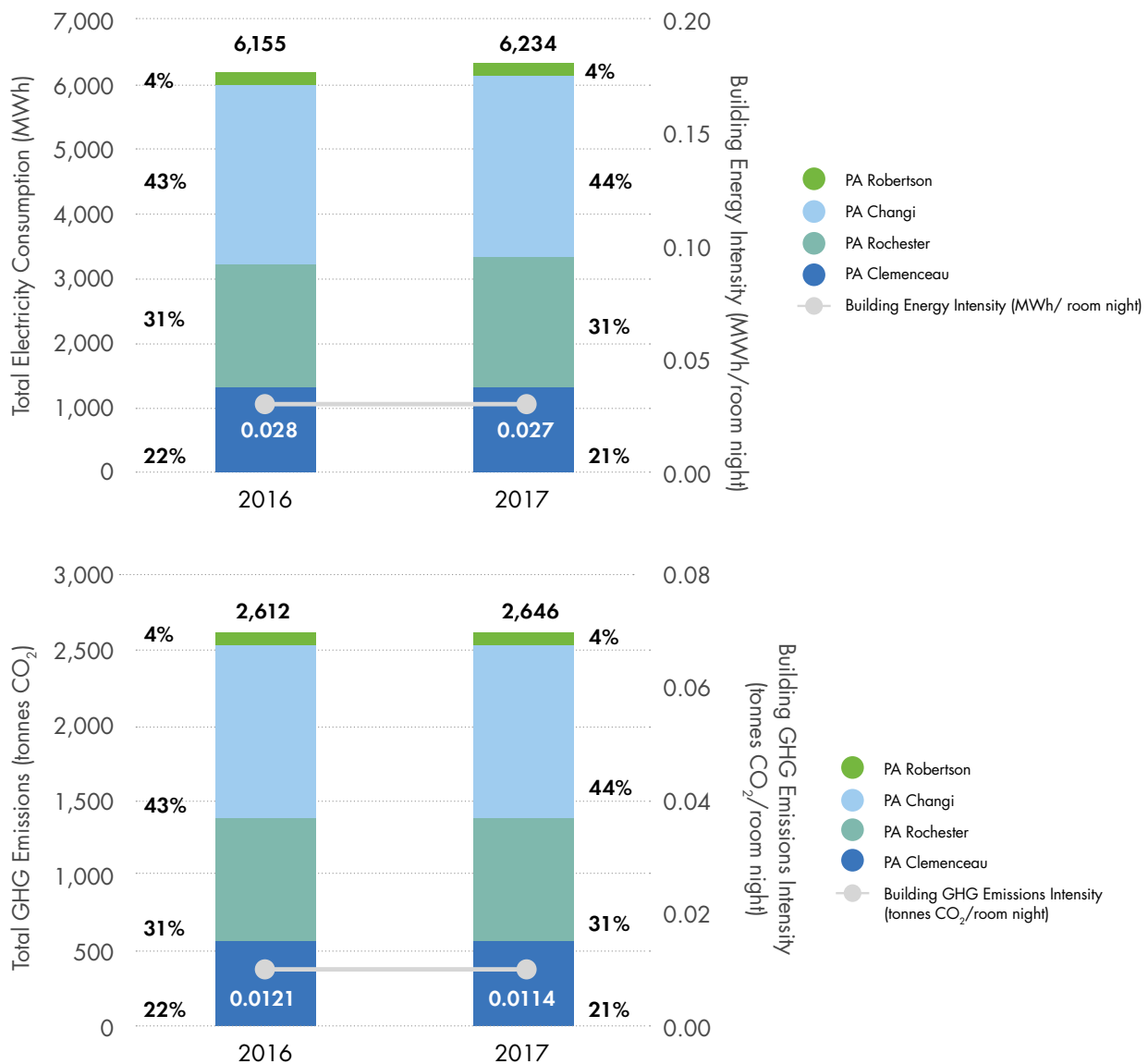


Figure 15: Energy Consumption & Intensity and Indirect (Scope 2) GHG Emissions & Intensity of Hospitality Division

<sup>16</sup> Scope 1 GHG emissions are emissions from usage of natural gas, gas and diesel oil which is not utilised in the Hospitality division.

<sup>17</sup> Scope 2 GHG emissions are calculated using emission factor approach where Scope 2 grid emission factor is sourced from Energy Market Authority (EMA) 27 June 2017.

<sup>18</sup> Energy consumption of Park Avenue Changi (PAC) is calculated based on apportionment done by Perpetual (Asia) Limited (in its capacity as trustee of Viva Industrial Real Estate Investment Trust). Electricity usage accounts for those used at PAC's premises include the hotel and convention centre.



## PROPERTY

Similar to the Hospitality division, the main source of energy comes from purchased electricity from the grid. In our properties, electricity consumed decreased by 8% from 21,168 MWh in 2016 to 19,415 MWh in 2017, translating to a lowered amount of emissions from 8,984 tonnes CO<sub>2</sub> to 8,240 tonnes CO<sub>2</sub>. Likewise in 2017, the building energy intensity and Scope 2 GHG emissions intensity reduced by 7%.

Reduction of electricity consumption was due to three factors; (i) implementation of energy-saving initiatives across our mixed-use, industrial and commercial properties, (ii) downsizing of manpower by a key tenant leading to reduction in electricity usage and (iii) relocation of tenant where both (ii) & (iii) took place at UE BizHub CENTRAL.

The initiatives mentioned in (i) are highlighted in Figure 17. With these projects still underway, we project to achieve more savings upon their completion.

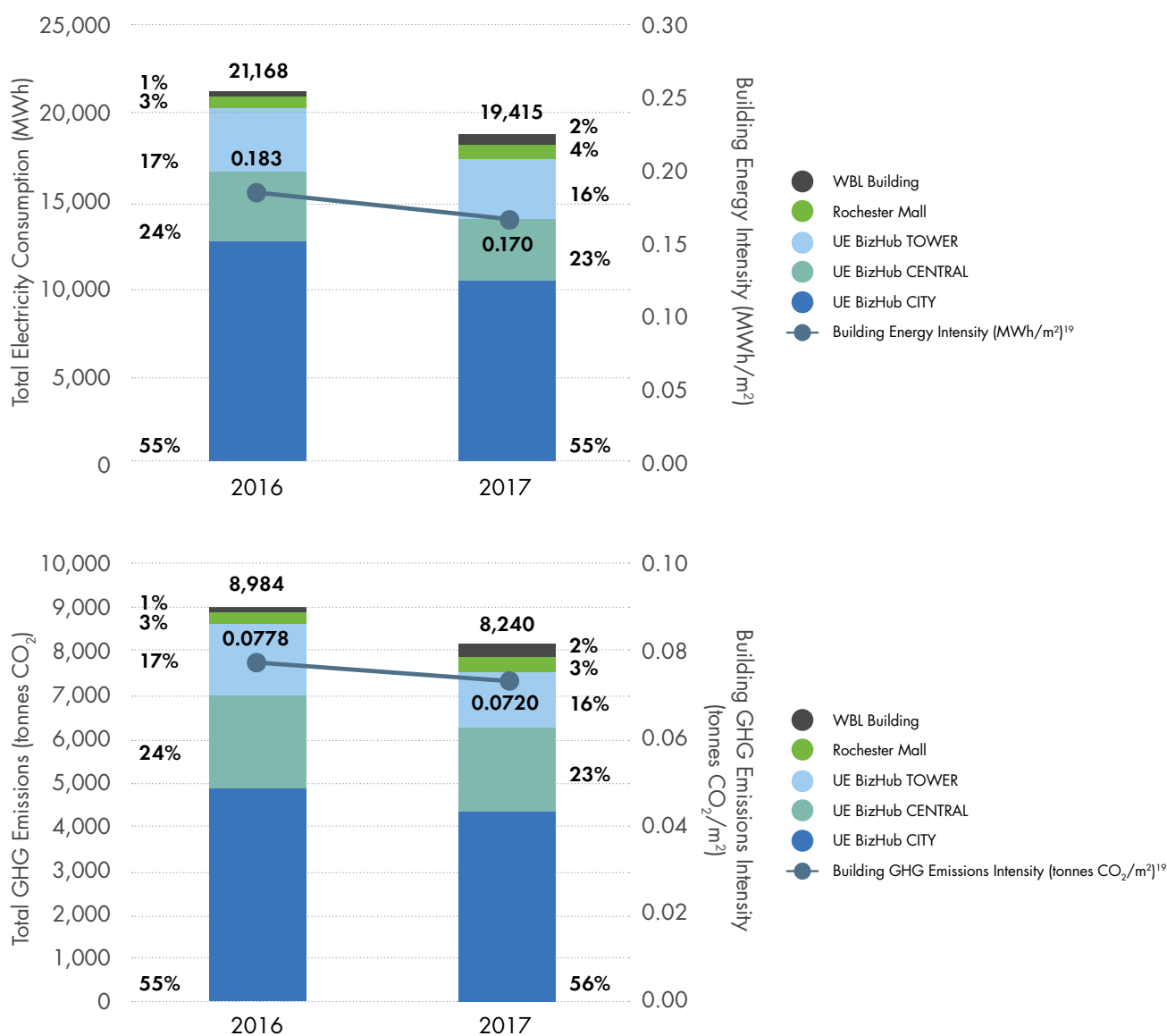


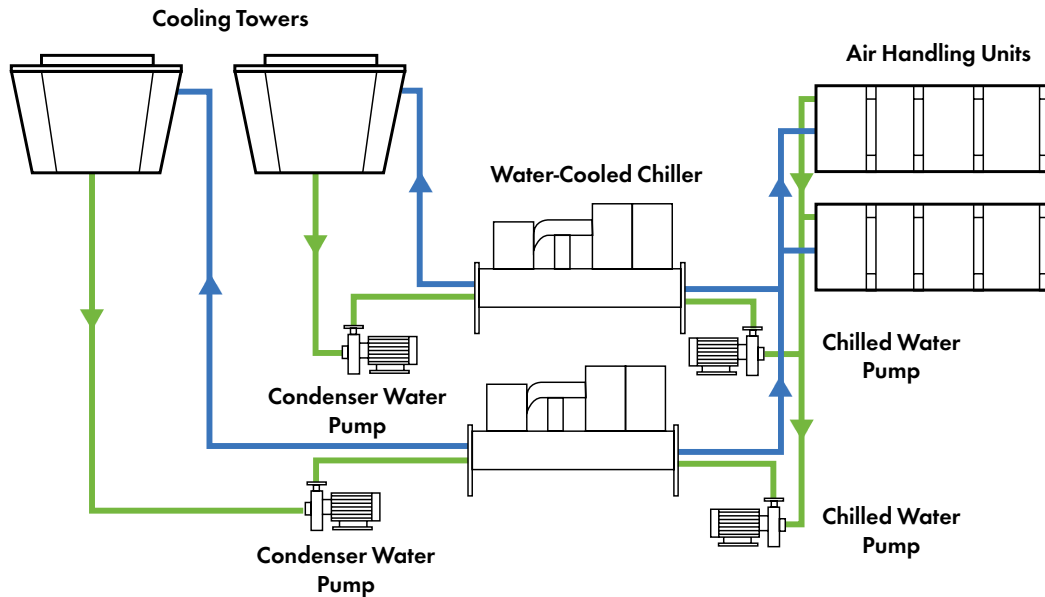
Figure 16: Energy Consumption & Intensity and Direct (Scope 2) GHG Emissions & Intensity of Property Division<sup>20</sup>

<sup>19</sup> Being the common area consumption across all properties with the exception of UE BizHub CENTRAL which includes utilities usage from all tenants (except one main tenant who manages its own utilities) which is embedded within the rental income charged to tenants.

<sup>20</sup> Prior to May 2017, UE BizHub WEST was leased entirely to a main tenant who managed its own maintenance and utilities. Electricity usage from June to December 2017 is not significant as compared to the other properties, and is thus not reflective of the electricity consumption and has correspondingly been excluded from the charts.

Name of Properties	Description of Energy-Saving Initiatives	Outcome/Impacts
UE BizHub CITY	💡 Currently undergoing extensive replacement exercise of conventional light bulbs to Light-Emitting Diode (LED). This exercise is expected to complete by end June 2019.	Prolong life span of the fittings & improve energy efficiency
	💡 Improvements were made to the Building Management System (BMS) for existing Air-Conditioning and Mechanical Ventilation (ACMV) system	Able to better monitor ACMV system & provide more human comfortable environment
UE BizHub CENTRAL	💡 Replaced old cooling towers with energy-efficient ones in July 2017	Increase energy efficiency and reduce operating cost
UE BizHub TOWER	💡 Completed upgrading of existing chiller plants in July 2017 which has improved current efficiencies	Increase energy efficiency and reduce operating cost

Figure 17: Energy-saving initiatives in FY2017 under Property division



# GRI CONTENT INDEX

GRI Standard Disclosure Reference	Description	Section of Report/ Reasons for Omission	Page Reference
<b>GRI 101: Foundation 2016</b>			
<b>GRI 102: General Disclosures 2016</b>			
<b>Organisational Profile</b>			
102-1	Name of the organisation	About United Engineers Limited	2
102-2	Activities, brands, products, and services	About United Engineers Limited	2
102-3	Location of headquarters	About United Engineers Limited	2
102-4	Location of operations	About United Engineers Limited	2
102-5	Ownership and legal form	About United Engineers Limited	2
102-6	Markets served	About United Engineers Limited	2
102-7	Scale of the organisation	About United Engineers Limited	2
102-8	Information on employees and other workers	Employee Profile	11
102-9	Supply chain	Customer Health and Safety – Hospitality (Supply Chain); Customer Health and Safety – Property (Supply Chain)	17; 18
102-10	Significant changes to the organisation and its supply chain	There were no significant changes	
102-11	Precautionary Principle or Approach	Corporate Governance	9
102-12	External Initiatives	Not applicable	
102-13	Membership of Associations	Stakeholder Engagement	5
<b>Strategy</b>			
102-14	Statement from senior decision-maker	Group Managing Director's Statement	1
<b>Ethics and Integrity</b>			
102-16	Values, principles, standards, and norms of behaviour	Corporate Governance	9
<b>Governance</b>			
102-18	Governance structure	Sustainability Governance Structure	4
<b>Stakeholder Engagement</b>			
102-40	List of stakeholder groups	Stakeholder Engagement	5
102-41	Collective bargaining agreements	None of UEL's employees are covered under collective bargaining agreements	
102-42	Identifying and selecting stakeholders	Stakeholder Engagement	5
102-43	Approach to stakeholder engagement	Stakeholder Engagement	5
102-44	Key topics and concerns raised	Stakeholder Engagement	5

GRI Standard Disclosure Reference	Description	Section of Report/ Reasons for Omission	Page Reference
<b>Reporting Practice</b>			
102-45	Entities included in the consolidated financial statements	Annual Report 2017	103-107*
102-46	Defining report content and topic Boundaries	About the Report	3
102-47	List of material topics	Materiality Assessment Process	7
102-48	Restatements of information	Not applicable	
102-49	Changes in reporting	Not applicable	
102-50	Reporting period	1 January 2017 to 31 December 2017	
102-51	Date of most recent report	2017	
102-52	Reporting cycle	Annual	
102-53	Contact point for questions regarding the report	About the Report	3
102-54	Claims of reporting in accordance with the GRI Standards	About the Report	3
102-55	GRI content index	GRI Content Index	25
102-56	External assurance	About the Report	3

<b>Material Matters</b>			
GRI Standard Disclosure Reference	Description	Section of Report/ Reasons for Omission	Page Reference
<b>Anti-Corruption</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	About the Report; Materiality Assessment Process
	103-2	The management approach and its components	Anti-Corruption
	103-3	Evaluation of the management approach	Anti-Corruption
GRI 205: Anti-Corruption 2016	205-3	Confirmed Incidents of Corruption and Actions Taken	Anti-Corruption
<b>Regulatory Compliance</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	About the Report; Materiality Assessment Process
	103-2	The management approach and its components	Regulatory Compliance
	103-3	Evaluation of the management approach	Regulatory Compliance
GRI 307: Environmental Compliance 2016	307-1	Non-Compliance with environmental laws and regulations	Regulatory Compliance
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	Regulatory Compliance

\* Refer to page number in the Annual Report 2017



GRI Standard Disclosure Reference		Description	Section of Report/ Reasons for Omission	Page Reference
<b>Occupational Health and Safety</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	About the Report; Materiality Assessment Process	3; 7
	103-2	The management approach and its components	Occupational Health and Safety	13
	103-3	Evaluation of the management approach	Occupational Health and Safety	13
GRI 403: Occupational Health and Safety 2016	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Occupational Health and Safety	13
<b>Customer Health and Safety</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	About the Report; Materiality Assessment Process	3; 7
	103-2	The management approach and its components	Customer Health and Safety	15
	103-3	Evaluation of the management approach	Customer Health and Safety	15
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Customer Health and Safety	15
<b>Customer Privacy and Data Security</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	About the Report; Materiality Assessment Process	3; 7
	103-2	The management approach and its components	Data Security and Customer Privacy	19
	103-3	Evaluation of the management approach	Data Security and Customer Privacy	19
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Security and Customer Privacy	19
<b>Energy and Carbon Footprint</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	About the Report; Materiality Assessment Process	3; 7
	103-2	The management approach and its components	Energy and Carbon Footprint	21
	103-3	Evaluation of the management approach	Energy and Carbon Footprint	21
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Energy and Carbon Footprint	21
	302-3	Energy intensity	Energy and Carbon Footprint	21
GRI 305: Emissions 2016	305-2	Energy indirect (Scope 2) GHG Emissions	Energy and Carbon Footprint	21
	305-4	GHG emissions Intensity	Energy and Carbon Footprint	21

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