

FIGTREE HOLDINGS LIMITED

Sustainability Report 2019



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MESSAGE FROM THE BOARD

Dear Stakeholders,

We are pleased to present Figtree Holdings Limited's ("Figtree" or the "Company", together with its subsidiaries and associates, the "Group") annual sustainability report which renews our pledge to providing sustainable, equitable growth for all our stakeholders. We demonstrate these commitments through our initiatives and achievements on Environmental, Social, and Governance ("ESG") topics for the financial year ended 31 December 2019 ("FY2019").

In line with our vision, the Figtree Board of Directors (the "Board"), and senior management is committed to all of our stakeholders, from employees, investors, suppliers and customers, to regulators, environment and the greater community at-large and we will continue to strive to be a leader in value-add whilst taking into consideration the needs of all stakeholders.

This year has been a challenging year not only for the Group but on the global front as well. With climate change being dubbed by the United Nations as 'the defining issue of our time' and growing income inequality as a threat to social stability, we seek to make positive contributions with our innovative and green designs and commitment to transparency.

We have made great progress in designing and constructing eco-friendly projects earning several Building and Construction Authority ("BCA") Green Mark Awards in recent years for achieving a high level of excellence in constructing buildings that meet stringent criteria in energy efficiency, sustainable construction, enhanced performance, etc.

In addition to environmental sustainability, the Company is proud to announce that it had in 2019 secured a S\$43.53 million contract to design and build a 6-storey food processing facility in Singapore. Not only does this provide the Company with a steady revenue stream till completion in 2021, once completed the facility would contribute significantly to food security in the region.

MESSAGE FROM THE BOARD (cont'd)

We would like to give special thanks to all our stakeholders especially to our dedicated employees, who are the core of our business, for their unwavering support and contributions to our Company's prosperity. Without them, we would not be where we are today.

The Board and senior management commit to double down our efforts to promote sustainable growth through green initiatives and designs. We also remain committed in maximising the economic, social and environmental gains for all stakeholders, constructing greener and brighter futures.

By the Board of Figtree Holdings Limited

ABOUT THIS REPORT

Figtree aims to incorporate sustainability as one of our key pillars for future growth. This report intends to demonstrate our commitment to that objective and all our stakeholders, by documenting our sustainability approach, efforts and performance in a transparent and fair manner. This report covers the operations of the Group located in Singapore from 1 January 2019 to 31 December 2019.

In our previous report, we took reference from the latest Global Reporting Initiative (“GRI”) Standards: Core Option for its vigorous principles and representation of international best practices; and would continue utilising that as the foundation of our future reports. In the preparation of our reports, we have aligned our disclosures with the requirements of Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Rules 711A and 711B.

As an extension of this report, we have reviewed and included the principles of stakeholder inclusiveness, sustainability context, materiality and completeness to put together an extensive report for our stakeholders. In maintaining a high level of excellence, we applied the GRI principles of accuracy, balance, clarity, comparability, reliability and timeliness. We invite readers to refer to the GRI Content Index for a comprehensive summary of our report. No external assurance was sought for this report.

Accessibility

We would not be distributing physical copies of this sustainability report, as part of our environmental conservation effort towards a paperless office. This sustainability report will be publicly accessible through our Company’s website: <https://www.figtreeasia.com> as well as on Singapore Exchange Network (“SGXNET”).

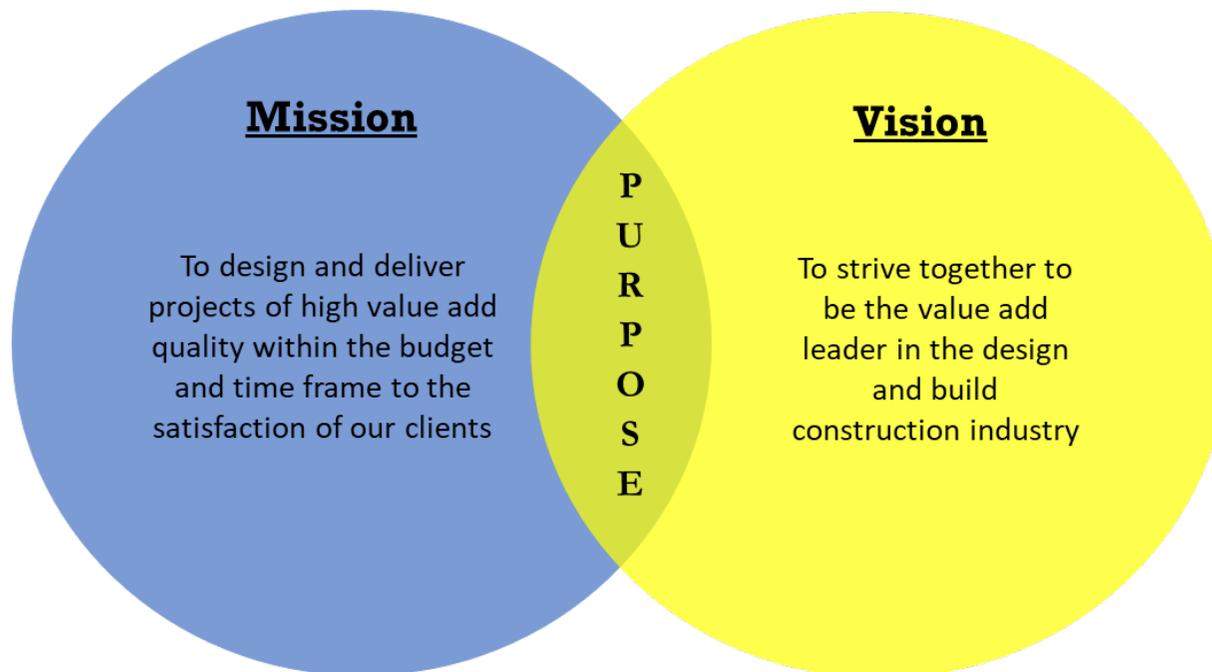
Report Contact and Feedback

We promote active engagement with all stakeholders. Please address all feedback to: info@figtreeasia.com or mail us at our headquarters: 8 Jalan Kilang Barat #03-01 Central-Link, Singapore 159351.

ORGANISATIONAL PROFILE

Background

Incorporated in 2009 and headquartered in Singapore, Figtree Holdings Limited remains a steadfast provider for comprehensive specialised design and build solutions of commercial and industrial facilities. Expanding from our humble beginnings in Singapore, our operations grew to include property development, Addition & Alteration (“A&A”) works on existing buildings as well as refurbishment and upgrading of existing buildings. Our dedicated team of professionals covers the entire spectrum of the development process, providing clients with extensive, effective solutions. Venturing abroad, Figtree currently has property developments and investments in our key markets in Australia, China, and locally in Singapore.



Supply Chain Management

When selecting sub-contractors, we have adopted ISO standards with regards to purchasing and procurement, for uniformity and ensuring our selection policy is in line with industry best practices.

We follow an optimised Just-In-Time (“JIT”) model by engaging sub-contractors on project basis. This rewards us with the flexibility to actively evaluate and select sub-contractors, encouraging them to remain competitive and produce consistent quality work.

Our policy requires prospective sub-contractors to undergo a rigorous selection, review and approval process based on a range of criteria tailored to each project. Sub-contractors are assessed based on pricing, track-record, financial capability and size, among other considerations.

External Initiatives

The Group remains committed in supporting the most vulnerable in our society. In addition to encouraging employees to actively volunteer at charities, the Group has donated to the Care Community Ltd, which provides a wide range of services ranging from counselling services, to family and elderly welfare, and medical assistance to Singaporeans in need.

Membership of Associations and Certificates

- Singapore Business Federation
- Association of [Listed](#) Companies
- Singapore Chinese Chamber of Commerce & Industry

GOVERNANCE & SUSTAINABILITY APPROACH

Our Company has established policies for matters such as Conflict of Interest and Whistle-blowing in order to maintain a high standard of corporate governance and in having effective corporate practices as part of our dedication to transparency, accountability and to safeguard against fraud and corruption, with the aim of protecting shareholders' interests as well as maximising long term success of the Group. The Company has adopted a risk management framework to identify, review and manage key risks arising from the management and operations of the Group's operating segments.

Conflict of interest policy

The conflict of interest policy is embedded within our Company's Employee Handbook. All of our staff, including key management, are required to make annual declarations to the Group on their interest (either directly or indirectly) with any of the stakeholders of the Group as part of our commitment to transparency.

Whistle-blowing policy

Our Company has implemented a whistleblowing policy which is made known to all our stakeholders. This policy is stated clearly on both our Company's website and Annual Reports, including a hotline number and email maintained by an independent outsourced service provider. The stakeholders may, in confidence, raise concerns about improprieties in matters of financial reporting or other matters by submitting a whistle-blowing report.

Sustainability Approach

We value all our stakeholders and constantly evaluate their expectations through both formal or informal means in order to create mutually beneficial relationships. The expectations of our stakeholders would be emphasised during our strategy settings, and is included in our goal setting. We also aim to increase engagement with sub-contractors with regards to Health, Safety and Environmental ("HSE") aspects, to increase awareness on the importance of working towards greater HSE goals for a sustainable future.

STAKEHOLDER ENGAGEMENT



We promote a pro-active stakeholder engagement approach, engaging with stakeholders on a regular basis to better understand their concerns and feedback. In addition, we encourage stakeholders to provide constructive criticism at <https://www.figtreeasia.com/contact>.

Our Key Stakeholders	Engagement Activities	Key topics
Customers	<ul style="list-style-type: none"> ❖ Enquiry and feedback channels 	<ul style="list-style-type: none"> ❖ Project quotations ❖ Project quality assurance ❖ Post sales enquiries
Sub-contractors/ Suppliers	<ul style="list-style-type: none"> ❖ Quotations ❖ Periodic discussion ❖ Supplier evaluation 	<ul style="list-style-type: none"> ❖ Project details enquiries ❖ Bidding criteria ❖ HSE standards
Employees	<ul style="list-style-type: none"> ❖ Induction and orientation program ❖ Staff appraisal ❖ Internal memo ❖ Training 	<ul style="list-style-type: none"> ❖ Staff benefits ❖ Personal growth and development ❖ Working environment
Investors	<ul style="list-style-type: none"> ❖ Annual General Meetings (AGM) ❖ Circulars to shareholders for corporate action ❖ SGX Announcements 	<ul style="list-style-type: none"> ❖ Profits and growth ❖ Transparency ❖ Status of on-going projects and outlook of future projects ❖ Equitable trade practices
Government and Regulators	<ul style="list-style-type: none"> ❖ Discussions with government agencies and regulators 	<ul style="list-style-type: none"> ❖ Environmental-friendly business approach ❖ Compliance with regulations ❖ Timely reporting and resolution of issues
Local Community	<ul style="list-style-type: none"> ❖ Enquiries and feedback channel 	<ul style="list-style-type: none"> ❖ Environmental concern ❖ Noise concerns ❖ Construction duration

MATERIAL TOPICS

By listening to our stakeholders' feedbacks and concerns for more details and depths regarding Sustainable Growth and Business Continuity, we have reviewed and assessed the ESG factors which were of significant interest of our stakeholders.

We have decided to continue with the 5 material topics identified in the financial year ended 31 December 2018 ("FY2018") and to increase the amount of information relating to each material topic.

The table summarises the material topics reported and their corresponding GRI disclosure framework reference number.

Material topics (GRI)	Description	Page Reference
Economic Performance (GRI 201)	Business performance and efforts/ commitment in achieving greater results	10
Anti-corruption and Anti-bribery (GRI 205)	Policies and measures in place for anti-corruption and anti-bribery	11
Environmental Compliance (GRI 307)	Measures in place to comply with environmental regulations	12
Employment (GRI 401)	Hiring policies and staff benefits	13-16
Training and Education (GRI 404)	Internal and/ or external trainings provided to employees in developing work skill and career advancement	15

ECONOMIC PERFORMANCE

Economic performance is the most important indicator to many of our stakeholders, as this provides them with a gauge on the stability and growth potential of the Group. Customers, sub-contractors, suppliers, employees and investors are vested in the Company's future and on-going concern.

We want to support those who believed and have invested in us. With that, we have proposed a one-time dividend of S\$0.003 per share in FY2019 (FY2018: S\$0.003 per share).

Financial Highlights

Summary of results	Financial Year Ended		Changes	Notes
	2018	2019		
Revenue	S\$2.4 million	S\$10.8 million	Not meaningful	More than fourfold increase in revenue was mainly attributed to Tiong Lian Food Pte Ltd ("TLF") project, which commenced construction in the third quarter of FY2018. The revenue increase with the associated increase in cost resulted in the corresponding increase of gross profits. The decrease in net attributable loss was largely due to the sale of the Group's 303 La Trobe development project in Melbourne, Australia, which was completed on 15 April 2019, partially offset by the Group's share of losses from associates arising from the loss on disposal of indirect associate DP-Master-Vibrant (Jiangyin) Real Estate Development Co., Ltd in February 2019, coupled with operational costs from ongoing development projects.
Gross (loss)/profit	(S\$0.1 million)	S\$0.4 million	Increase by S\$0.5 million from negative to positive	
Net attributable loss	(S\$0.6 million)	(S\$0.05 million)	Decrease in loss by 91.7%	

We recognise the stakeholders' focus on the Group's economic performance and growth. The Group continues to strive in balancing stakeholders' short- and long-term expectations with due diligence in our project selection approach.

Performance review in FY2019 and Subsequent Reporting for Financial Year ended 31 December 2020 ("FY2020")

Our Group managed to partially meet our FY2019 targets of achieving positive returns for our stakeholders. We were able to generate positive gross profit, however these profits were unfortunately offset by higher operational costs and losses on disposals resulting in a net attributable loss. For FY2020, we remain committed to achieving positive returns and financial stability with our projects on-hand, by continuing to implement stringent project management and sound corporate governance amid the escalating Covid-19 epidemic. Despite being in a healthy cash position, we will continue to exercise a cautious and prudent approach whilst remaining on a lookout for opportunities in our Group's key markets of Australia, China and Singapore to drive the next phase of growth.

ANTI-CORRUPTION AND ANTI-BRIBERY

In continuing our tradition of Accountability, Integrity, Transparency and Security to our stakeholders when conducting business as part of maintaining the 'Gold Standard' of corporate governance, the Board has established policies and procedures, which are reviewed regularly against industry leading practices to safeguard the interests of our stakeholders. Please refer to the "Corporate Governance Report" section in the annual report for more information.

Figtree is also proud of our risk management framework that we established to identify, review and manage key risks arising from the management and operations of the Group's operating segments. In addition to complying with the principles and guidelines set out in the Code of Corporate Governance 2018 and the SGX Listing Rules, we also evaluated our internal controls and procedures on a regular basis, performing both test of controls and substantive tests to check that our activities adhere with existing regulatory requirements as well as safeguarding our stakeholders' interests.

Adding on to our commitment towards continued good governance practices within the Group, we have reviewed our Conflict of Interest and Whistleblowing Policy within our employee handbook and website. All our staff, including key management are required to make yearly declarations to the Group on their interest (either directly or indirectly) with any of the stakeholders of the Group. We also encourage all stakeholders to use our independently managed, whistleblowing avenues if the need arises to voice their concerns or complaints regarding any perceived irregularities, improprieties, non-compliances or wrongdoings by management or staff in the course of their work.

Performance Review in FY2019 and Subsequent Reporting for FY2020

We are pleased to announce that for FY2019, we have achieved our targets with no reported instances of inappropriate business activities across our business. Likewise, we aim to maintain our perfect track record of zero incidents in the upcoming year.

ENVIRONMENTAL COMPLIANCE

At Figtree, we believe in commitment and going beyond compliance when it comes to protecting the environment. As responsible stewards of the environment, we focus our innovative designs to not only comply with environmental laws regulations, but to go much further in reducing our carbon footprint with the development of eco-friendly sustainable buildings.

A testament to our commitment to sustainable development comes from putting the environment above profits. We believe that through continuous advancement of green technology, there would be additional avenues for future sustained growth. Some environmental-friendly designs that we have implemented for our customers include using a holistic approach to innovate and design extensive green features such as the provision of energy efficient Variant Refrigerant Flow air-conditioning system for ventilation and, energy efficient LED lights and lighting system. These designs not only reduces emissions, but also reduces our customers' or its tenants' utility costs for years to come.

Figtree Projects Pte Ltd ("Figtree Projects") is proud to be an ISO 14001 certified entity, in line with international standards for an effective environmental management for 5 years since 2014 and to be certified as Green and Gracious Builder Scheme ("GGBS")

Merit-Contractor. The Group has also adopted the GGBS program spearheaded by BCA and Green Mark. The Group has developed award winning buildings for meeting and exceeding stringent environmental standards with climate responsive designs, high building energy performance, resource stewardship, smart and healthy buildings with advanced green efforts. Below are some of Figtree Project's award-winning building design projects:

1. BCA Green Mark Award 2014 (Gold Plus) – Tech-Link Storage Engineering Pte Ltd for KWE Singapore Logistics Centre
2. BCA Green Mark Award 2015 (Platinum) – Figtree Projects Pte Ltd Head Office (Office Interior - Version 1.1)
3. BCA Green Mark Award 2015 (Platinum) – Development 8 Pte Ltd for LF Logistics Centre
4. BCA Green Mark Award 2017 (Gold Plus) – Hankyu Hanshin Logistics Centre

Performance Review in FY2019 and Subsequent Reporting for FY2020

Figtree will continue innovating and ensuring that current and future projects continue the trend towards sustainable property development and net zero emissions. We aim to be good stewards of the environment, abiding by all relevant current and future environmental laws and regulations to the best of our ability. We have achieved our FY2019 target of zero reported incident of non-compliance to environmental laws and regulations in the reporting period. We plan to continue this trajectory for the following year.

EMPLOYMENT, TRAINING AND EDUCATION

Our employees are the backbone and foundation of our business. When we provide the opportunities and resources for our employees to succeed, we as a company succeed. We remain committed to ensuring a conducive working environment for all our valued employees, providing opportunities for employees to thrive, progress and reach self-actualisation starting with a rigorous hiring process from identifying selected skill sets to comprehensive interviews ensuring that we hire capable employees, followed by transparent realisable performance targets, reviews and training programmes.

Observance

Employee turnover:

Region	Female (FY 2018)	Female (FY 2019)	Male (FY 2018)	Male (FY 2019)
Singapore	-	28.57%	9.52%	10.53%

New employee hires:

Age range	Female (FY 2018)	Female (FY 2019)	Male (FY 2018)	Male (FY 2019)
30 and below	-	-	-	-
31- 50	-	2	-	-
51 and above	-	-	-	-

By category:

Job Position	Female (FY 2018)	Female (FY 2019)	Male (FY 2018)	Male (FY 2019)
Management level and above	2	2	12	12
Executives	4	5	9	7
General worker	1	-	-	-

We believe in investing in our employees. Training programmes not only improve the skills and knowledge of employees but also enhance their work satisfaction and productivity. Employees gain a sense of belonging, loyalty and self-actualisation knowing that the Company cares about them and is investing in their future.

In FY2019, our employees have clocked a total of 567.5 hours of training, an average of 20.3 hours per female employee and 22.4 hours per male employee. This was a small drop from the previous year's total of 633 hours with an average of 25.30 hours per employee. Our employees have participated collectively in 25 different internal and external training programmes. Below are 5 notable mentions that helped nurture transferable leadership, technical and information technological skills in our employees.

S/N	Training and Development Programmes
1	A Practical Guide to the Essential Financial Reporting Standards
2	Go Digital Leadership Forum - 5D BIM Cost Management
3	2019 MIDAS Technical Seminar
4	Registered Earthworks Supervisor Course
5	Driving Greater Productivity Through Innovation

Our employees also take on the role as brand ambassadors. We believe in recruiting and retaining the best talents through meritocracy, talent, dedication and hard work; regardless of race, age, gender, nationality, religion or disability.

We offer flexibility, industry leading salaries and opportunities for employees to grow and realise their full potential through skills upgrading programmes, encouragement towards further education and periodic reviews for talent management. In attracting and retaining talent, Figtree also goes above and beyond the Ministry of Manpower labour regulations and statutory requirements, offering comprehensive benefits and compensation packages to all full-time employees. The benefits are clearly outlined in the employee handbook and include the following:

1. Comprehensive work injury compensation insurance
2. Group Personal Accident Insurance
3. Medical reimbursements and benefits
4. Company share options under the Figtree Employee Share Option Scheme
5. Parental leave scheme

At Figtree, we support working parents and we strongly encourage employees to fully utilise parental leave provided in their benefits to bond with their children. During the reporting period, 12 employees were entitled to parental leave. 7 male employees and 5 female employees have taken parental leave, an increase from 5 male employees and 4 female employees. 11 of the 12 employees are still employed under the Group as at 31 December 2019, with a retainment rate of 91.7%.

Performance Review in FY2019 and Subsequent Reporting for FY2020

We are committed to maintaining a strong talent driven workforce. In supporting our employees' growth, we aim to maintain or increase the current level of training hours per employee by further development of our training program through incorporating employee feedback to ensure the training provided are useful and engaging. The Group also pledges to incorporate more progressive employment policies through periodic review and development of strategies to increase diversity. We are committed to staff retention and to keep involuntary attrition as low as possible.

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

GRI Standard	Disclosure	Page Reference and Reasons for Omission, if applicable
GENERAL DISCLOSURE		
GRI 102: General Disclosures 2016	Organizational Profile	
	102-1 Name of the organisation	Cover Page
	102-2 Activities, brands, products, and services	Page 4
	102-3 Location of headquarters	Page 4
	102-4 Location of operations	Page 4
	102-5 Ownership and legal form	Page 4
	102-6 Markets served	Page 4
	102-7 Scale of the organisation	Pages 4, 10 and Annual Report 2019 – Financial Statements: Balance Sheets
	102-8 Information on employees and other workers	Pages 13, 14, 15
	102-9 Supply chain	Page 5
	102-10 Significant changes to the organisation and its supply chain	N/A. There were no significant changes to the organisation and its supply chain in FY2019
	102-11 Precautionary principle or approach	Page 6
	102-12 External initiatives	Our Company has not subscribed nor endorsed any externally-developed economic, environmental and social charters, principles, or other initiatives.
	102-13 Membership of associations	Page 5
	Strategy	
	102-14 Statement from senior decision maker	Page 1
	Ethics and Integrity	
	102-16 Values, principles, standards, and norms of behaviour	Page 4
	Governance	
	102-18 Governance structure	Annual Report 2019 – Board of Directors
	Stakeholder Engagement	
	102-40 List of stakeholder groups	Pages 7-8
	102-41 Collective bargaining agreements	N/A. None of our employees are covered by collective bargaining agreement in FY2019.
	102-42 Identifying and selecting stakeholders	Pages 7-8
	102-43 Approach to stakeholder engagement	Pages 7-8
	102-44 Key topics and concerns raised	Pages 7-8
Reporting Practice		
102-45 Entities included in the consolidated financial statements	Annual Report 2019 – Corporate Structure	
102-46 Defining report content and topic boundaries	Page 3	

GRI Standard	Disclosure	Page Reference and Reasons for Omission, if applicable
	102-47 List of material topics	Page 9
	102-48 Restatements of information	N/A. There were no restatements of information.
	102-49 Changes in reporting	N/A. There were no changes in reporting.
	102-50 Reporting period	Page 3
	102-51 Date of most recent report	30 May 2019
	102-52 Reporting cycle	Page 3
	102-53 Contact point for questions regarding the report	Page 3
	102-54 Claims of reporting in accordance with the GRI Standards	Page 3
	102-55 GRI content index	Pages 17-18
	102-56 External assurance	Page 3
MATERIAL TOPICS		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	Pages 9-16
	103-2 The management approach and its components	Pages 10-16
	103-3 Evaluation of the management approach	Pages 10-16
Economic Performance		
GRI 201: Economic Performance 2016	201-1 Direct Economic value generated and distributed	Pages 10-11 and Annual Report – Financial Statements: Consolidated Income Statements
Anti-Corruption		
GRI 205: Anti- Corruption 2016	205-1 Operations assessed for risks related to corruption	Pages 11-12
	205-2 Communication and training about anti-corruption policies and procedures	Pages 11-12
	205-3 Confirmed incidents of corruption and actions taken	Page 12
Environmental Compliance		
GRI 307: environmental- compliance 2016	307-1 Non-compliance with environmental laws and regulations	Pages 12-13
Employment		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Pages 14-15
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 16
	401-3 Parental leave	Page 16
Training and Education		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Page 15
	404-2 Programs for upgrading employee skills and transition assistance program	Page 15