

Sustainability Report

Fragrance Group Limited (2019)



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ABOUT THE REPORT

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

Fragrance Group Limited (hereinafter “Fragrance Group”) is pleased to present the 2019 Sustainability Report (“The Report”), which is developed in reference to Global Reporting Initiative (“GRI”) Standards (“GRI-Referenced”). Please refer to the GRI Content Index shown on pages 36-39, which will disclose the specific content aligned with GRI Standards.

The Board of Directors (“The Board”) and the Sustainability Team are responsible for this Report, which aligns and complies with the Sustainability Reporting 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 2019. 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.

Fragrance Group is headquartered in Singapore, where it owns several investment properties and has also launched real estate developments projects for sale. It has also remained active in Australia and the United Kingdom (“UK”) where there are ongoing real estate development projects, such as the development of Premier Tower in Melbourne, Australia, and the redevelopment of the Municipal Buildings in Liverpool, UK, to a four-star hotel. Fragrance Group has also continued to add to its land bank through the acquisition of Min Yuan Apartments and will seek to redevelop this to a hotel in the future.

In defining the Report’s content and the aspect boundaries, Fragrance Group will report based on the results of its Materiality Assessment conducted in 2018. The Report will also identify, prioritise, validate, and review the principles of materiality, stakeholder inclusiveness, sustainability context, and completeness through stakeholder engagement efforts varying in depth and mutual commitment.

There is quarterly reporting on Singapore Exchange Securities Trading Ltd (“SGX-ST”) on Fragrance Group’s financial results and announcements concerning Fragrance Group’s business development strategies and plans.

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. We did not seek external independent assurance of the data in this report.

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,

2019 has been an energetic year for us as we remained actively involved in both, the redevelopment of land and: (1) the launch of new development projects in Singapore and acquisition of new land plots; (2) the continuing of real estate development projects in Australia and the UK; and (3) overseeing our property investments in Singapore, the UK, and Australia. We see 2019 as a year of implementing the strategies that we have consolidated earlier. In 2018, Fragrance Group acquired two properties in Singapore located at 31 Jervois Road and 205 Jalan Eunos for the purpose of redeveloping them into residential properties for sale. We have obtained the necessary permits for redeveloping these sites and are pleased to have launched the sale of these units; Jervois Treasures (located at 31 Jervois Road) and Urban Treasures (located at 205 Jalan Eunos) were both launched for sale to the public in July 2019 and November 2019, and are expected to complete by 2022 and 2023 respectively.

Fragrance Group has continued to expand its land bank in Singapore through its acquisition of Min Yuan Apartments located at 62 Waterloo Street, where we intend to redevelop the property (together with the adjacent land plot at 64 Waterloo Street, which is owned by a wholly-owned subsidiary of Fragrance Group) into a combined comprehensive hotel development with efficient layout and facilities. Fragrance Group has also established a new wholly owned subsidiary early in the year in the UK for the purpose of holding property investments. As developers, we are conscious of our sustainable footprint and are well-aware of our responsibilities in this regard. We thus seek to comply with the Building Construction Authority of Singapore's regulations for developers.

From the perspective of sustainability reporting, 2019 marks an important year for us as we not only have to look back at the Group's performance in the last decade, but also have to consider the Group's sustainability strategy in the next decade to come. Our Sustainability Report 2017 has set down our sustainability goals for 2020; in this Sustainability Report 2019, we thus seek to look back at our performance in the sustainability space for the last three years and evaluate whether we are on track for our 2020 goals.

Fragrance Group is proud of its performance notwithstanding the challenging economic outlook. As we look towards 2020, we hope that this Sustainability Report 2019 will encapsulate our reflections of our sustainability efforts this decade.

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 several real estate projects, such as residential, commercial, mixed-use, and hotel properties. Our other activities include the holding of investment properties and hotel operations. Fragrance Group's headquarters are located in Singapore and we have a presence in three countries, i.e. Singapore, Australia, and the UK. In Australia, Fragrance Group is active in cities in Western and Southern Australia, such as Perth (Western Australia), Melbourne (Victoria), and Hobart (Tasmania). We also hold several properties in the UK in several cities and towns namely, Paignton, Bath, Harrogate, Torquay, Manchester, Blackpool, Plymouth, and Liverpool in our portfolio.

As property development and investment holding are our key activities, we acquire properties in Singapore, Australia, and the UK as part of our business strategy. We have launched two developments in Singapore, i.e. Jervois Treasures and Urban Treasures, which sit on two plots of land that we acquired in 2018. We then engage contractors and consultants to design and build the project to our specifications. Once these developments are complete, residential units and commercial units therein are normally sold to customers. Our investment portfolio owns several commercial properties in Singapore, Australia, and the UK, including but not limited to office commercial spaces, food and beverage outlets, industrial spaces, and hotels.

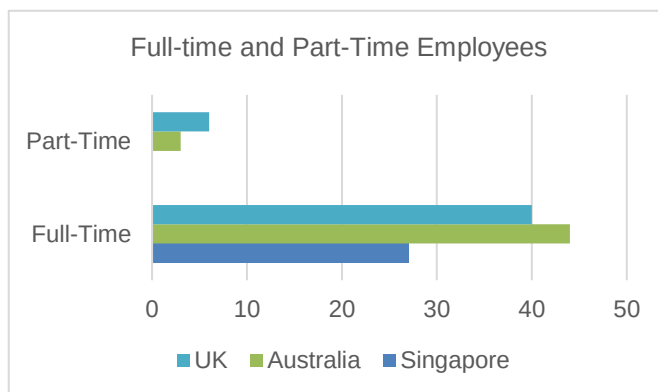
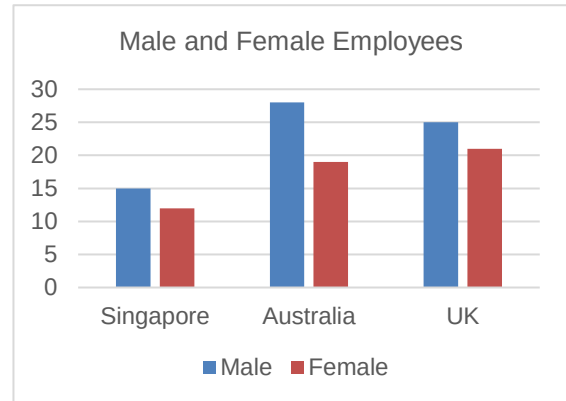
Fragrance Group is an investment holding company that owns several subsidiaries in Singapore, Australia, and the UK. We currently have more than 100 employees in the three countries that we operate in. Information on Fragrance Group can also be found in its Annual Report 2019, which is available on the SGX-ST website.

Diversity in Fragrance Group Limited

In 2019, Fragrance Group continues to manage operations and employees in three jurisdictions and likewise understands the importance of having a global mindset. Diversity remains a fundamental issue in our sustainability policy and we are committed to supporting local communities, value individual differences, and create policies that will ensure inclusivity in our company. All this comes with the greater goal of extending these benefits generated by such policies to other groups that are not as well-represented in the workforce.

There are two key elements that we adhere to when designing policies for our employees – flexibility and fairness – and we work towards fulfilling them at our various workplaces, i.e. in the office or in the hotels. Besides these two elements, we allow our employees to seek personal and professional growth and offer equal opportunities for employment regardless of language, race, religion, gender personal choices, or characteristics.

Equal opportunity regardless of gender, religion, personal identity choices, or characteristics in employment is an important aspect of our hiring policy. While we continue to inculcate such hiring methodologies, in 2019, the gender ratio for employees in Singapore, Australia and the UK has experienced minor shifts as compared to 2018. In Singapore, the percentage of male employees is 56% while female employees is 44%. In Australia, the percentage of female employees is 40% and the corresponding percentage of male employees is 60%. In the UK, 54% of employees are male and 46% are female. In Singapore, the change from 50% female employees to 44% is largely due to no replacements for the female employees that have left. In Australia, there is an improvement in the gender ratio, which is due to the newly operational Novotel Perth Murray Street Hotel. The change in the gender ratio for the UK vis-à-vis 2018 is due to reasons similar to Singapore. Nonetheless, Fragrance Group continues to maintain a strong gender balance ratio whereby 57% of our employees are male and 43% are female.

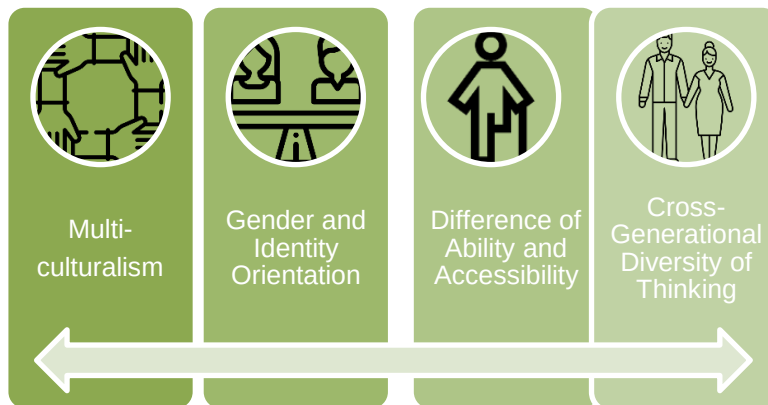


We maintain our commitment towards retaining employees with a long-term perspective in mind. In Singapore, similar to 2018, we had no part-time employees for 2019. Whereas in the UK, the number of part-time employees has decreased. In Australia, however, the percentage of part-time employees increased as compared to 2018. As the absolute number of part-time employees that joined the company is

small, the impact to Fragrance Group is minimal due to the small variance. After considering the increase in the number of employees in Australia and the decrease in the number of employees in the UK and Singapore, Fragrance Group's total headcount for 2019 remains the same as 2018. The reduced workforce in Singapore is largely due to the outsourcing of our property management services to Knight Frank Property Asset Management Pte Ltd and no replacements were hired for those that have resigned. The shrinking number of employees in the UK are largely due to no replacements for full-time employees that have resigned in FY2019.

Fragrance Group is formed by employees from different countries and cultures, and we thus know the importance of how diversity impacts Fragrance Group in a positive manner. Similar to previous years, we celebrate important events across a variety of cultures based on the input from our staff, which we will elaborate in the following section, i.e. Employment Engagement Activities. The concepts of workplace diversity, equality, safety, non-discrimination, non-harassment, and ethical practices are constantly encouraged amongst our employees and they have been encouraged to provide feedback to the management if they face any such discrimination.

As with previous years, we support diversity in our workplace and this principle will remain a



core guiding force in our sustainability policy. The four programs/initiatives that we started in 2017, i.e. multi-culturalism, gender and identity orientation, difference of ability, and accessibility and cross-generational diversity of thinking continue to apply. We are committed to forging greater understanding of each employee's culture and beliefs.

Employee Engagement Activities

Our employees are a key stakeholder in our business and we strive to engage them in various ways and functions. The following lists the activities that we have held to engage our employees in FY2019:

Singapore:

December	An annual tradition to celebrate accomplishment, provide opportunity for all staff to mingle and unwind, with 81% attendance.
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Australia:

Throughout the year, ibis Styles Hobart encouraged employee engagement with the recognition and celebration of inclusion and diversity and employee wellbeing, including:

January	Celebrated the TasPride Festival with rainbow flags at reception and in Mr. Good Guy.
February	Celebrated Chinese New Year.
March	Celebrated International Women's Day with balloons in the lobby; cards and chocolates for our female staff; and chocolates for our female guests.
March	Celebrated Harmony Day with "A Taste of Harmony" where team members brought in food from their culture or a culture that they identify strongly with.
May - June	Celebrated Reconciliation Week with Aboriginal and Torres Strait Islands flags at the reception and bar; a yarning circle at Head of Department meeting; read out the story of the land the hotel is on and the first peoples at morning briefing.
July	Celebrated National Aborigines and Islanders Day Week by unveiling hotel Acknowledgment of Country plaque with a presentation from the Assistant Manager, lunch for team members, and adding an Acknowledgment of Country to Employee Handbook.
July	Celebrated Lifeline's stress down day by giving gifts (candy) to all employees.
August	Celebrated Wear it Purple Day in support of rainbow youth with rainbow flags at the reception and bar. Staff wore rainbow wristbands or lapel pins.
September	Celebrated Wellness Week with launch of new Employee Assistance Provider ("EAP") app; General Manager ran a juice bar in the break room for team members; RUOK Day.
November	Celebrated and promoted men's health with a fundraising team led by the hotel's Front Office Manager in November.
December	Provided Cadbury Christmas stockings to the team working on Christmas Day, an end of year party with 69% attendance, sponsored by local suppliers.

All team members present at work on each of the dates listed above participated in the events.

Furthermore, employees from ibis Styles Hobart also won three regional awards (in the states of Victoria, Tasmania, and South Australia) in the Accor Pacific Awards 2019:

**Chris Frost Memorial Award for Assistant Managers
(Duty Managers of the Front Office Department)**

- This individual award recognises Duty Managers with our hotels in Accor who have taken a proactive approach to increasing operational excellence or meeting the expectations of our guests.

Guest Experience: The Outstanding Talent Award

- This award aims to recognise employees who have had outstanding initiatives, actions, or behaviors to satisfy and enhance our guests experience or who have demonstrated excellence in service in specific situations.

Special Award: The Asia Pacific Kim Mooney Excellence Award

- This award recognises an individual who has contributed to extraordinary financial results, achieving and/or exceeding budget within his/her business unit, in hotel, rooms, F&B department, or a single outlet. This individual has demonstrated high levels of commercial acumen and analysis, as well as the leadership ability to drive change and innovation.

United Kingdom:

January	Staff Christmas Party – all were invited with 70% attendance.
Monthly	Sweetie Friday – the General Manager went around the hotel with a bag of chocolates to distribute amongst the teams.
Monthly	Employee of the Month. Every month, HR would ask for nominations as to who should be the “Employee of the Month”. There were many reasons as to why people were nominated and these nominations were discussed at a weekly HOD meeting. The winner received a bottle of Prosecco and were awarded a certificate with their name on it.
Leavers	To recognise the service that team members have given, the hotel would host a leavers champagne reception with cake in the hotel.
Team Awards	Each year, there would be team awards to recognise team members, which includes part timers and casuals, in the department, who have had outstanding performance. A team prize will be awarded to the best team.
Weekly	A Facebook hotel group served as a platform to celebrate good news from around the hotel, such as “Employee of the Month”, guest feedback, team birthdays, amongst others. Polls were also carried out to gather feedback from the team.
Ad Hoc	The hotel operated a WOW scheme whereby team members received recognition for going above and beyond their day jobs. They would receive a voucher which could then be used to redeem their preferred choice of rewards and there would also be a mention on the Facebook hotel group.

SUSTAINABILITY STATEMENT

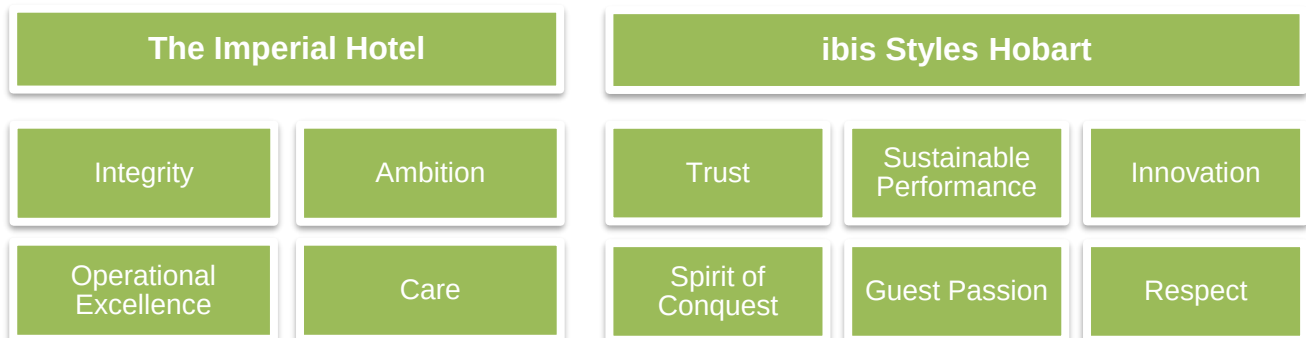
GRI 102-11, 102-16, 102-46

Fragrance Group is an international and well-established property developer with presence in three continents: Asia, Australia, and Europe. We were listed on the main board of SGX-ST on 3 February 2005 and continue to deliver significant value in our core business activities. We maintain emphasis on the precautionary principle with our mission statement to –

Deliver developments that bring together the qualities of practicality, simplicity, and good quality. Maximise the usability of compact urban spaces.

In reporting financial statements and economic achievement, Fragrance Group's consolidated financial statements are drawn up in accordance with the provisions of Singapore Companies Act and Singapore Financial Reporting Standards (International) ("SFRS(I)s"). As for internal auditing, Fragrance Group outsourced the internal audit function to two professional auditing firms in FY2019.

In Australia (ibis Styles Hobart) and the UK (The Imperial Hotel), we respect a set of standards, values, and principles optimised for care of valued tenants and customers.



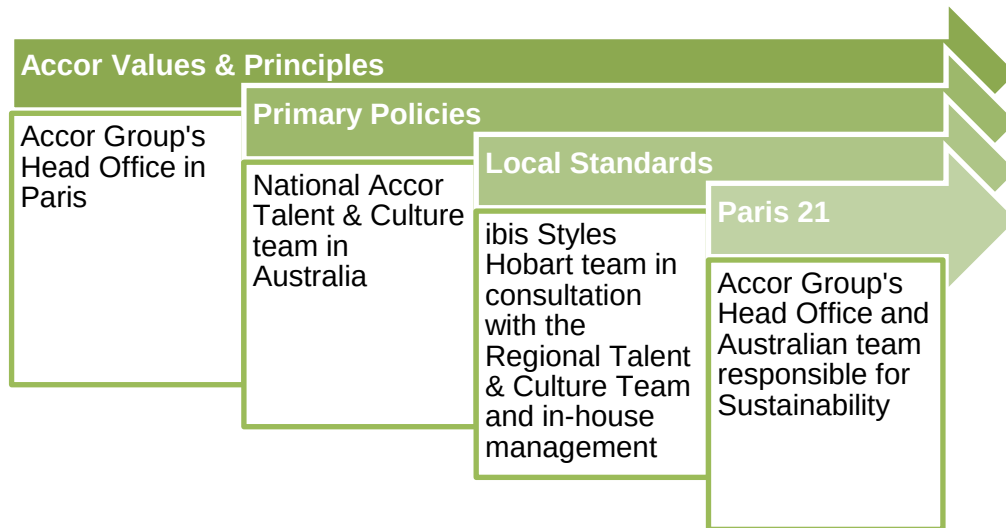
In pursuit of our core values, both ibis Styles Hobart and The Imperial Hotel implement voluntary commitments on sustainability, as reflective of the precautionary principle. In 2019, ibis Styles Hobart achieved Bronze status under the AccorHotels Planet 21 program, with the objective of achieving Silver status. Planet 21 comprises multidimensional efforts to tackle food and building impacts by working with employees, involving customers, innovating with partners, and engaging local communities.

The Imperial Hotel accepts responsibility for our environmental impact and support for local communities. In 2019, we developed ten realistic strategies with associated goals: water, energy, waste, purchasing, learning and development, community engagement, charity, corporate travel, guest communication, and maintaining policy progressiveness.

Development and Training of the Standards, Values, and Principles

The standards, values, and principles which inform ibis Styles Hobart's corporate governance and operations derive from layers of national, regional, and in-house due diligence, and expertise, see image below.

To ensure our employees' adequate understanding and practice of these values, we require them to sign the Primary Principles on commencement, followed by mandatory face-to-face training of the Heartist philosophy and online training through the AccorHotels Academie learning network on Planet 21.



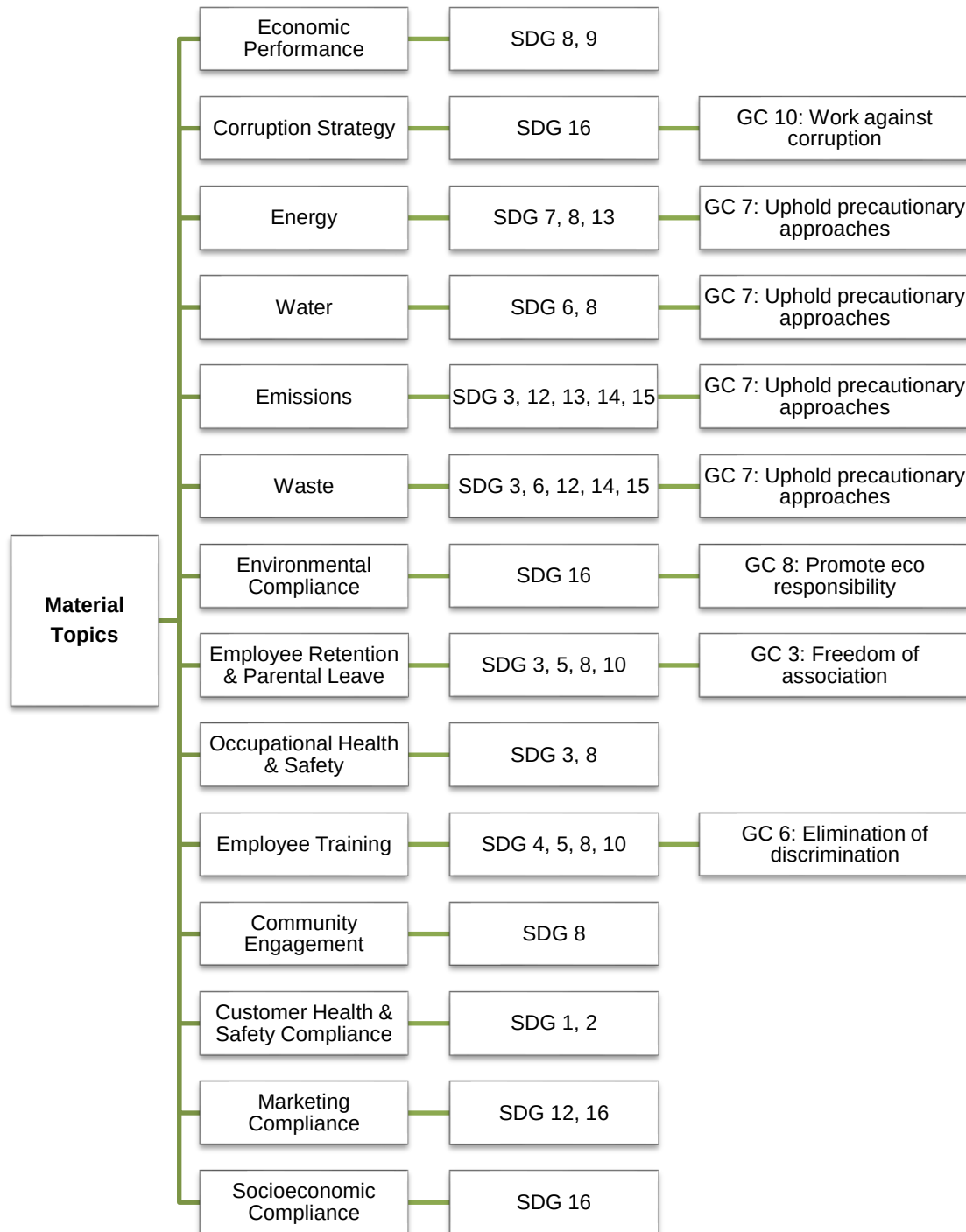
The Imperial Hotel's values are based on an original hotel vision, which is "to make our guests happy, and ourselves proud." They are developed by in-house management to actively incorporate RBH Hospitality Management's standards and facilitate employee training via "Making Guests Happy" modules available on the SMILE e-learning platform.

Fragrance Group Limited within the larger Sustainability Context

In our third year of sustainability reporting, Fragrance Group continues to envision responsible corporate governance and behaviour in connection with the global 2030 Agenda and its agreements, including the Sustainable Development Goals ("SDGs"). At the 2019 SDG Summit, the UN Secretary-General Antonio Guterres issued a "global call for a decade of action", in which actors from all walks of society, including Fragrance Group, will work to monitor and mitigate our environmental, social, and economic impacts, maintaining the precautionary principle whenever possible to participate in sustainable development.

In addition to the SDGs, we contextualise our material topics and impacts through the lens of the eight UN Global Compact Principles. We are careful to ensure that we communicate with clarity to our internal and external stakeholders what our corporate strategy is, but more importantly, how they are assisting the global agenda in the last decade before 2030. This comprises the core foundation of our commitment to sustainability.

We are careful to establish linkages between our selected Material Topics, through their SDG foundations, towards the Global Compact principles which they exemplify. The Material Topics reproduced below are identical to that of Sustainability Report 2018, due to the validity of the Materiality Assessment deployed. We are excited to showcase positive trends in reducing our environmental impact and identifying opportunities for continued improvement.



The Global Compact Principles gave rise to corporate sustainability frameworks such as the Global Reporting Initiative (“GRI”) and the Sustainability Accounting Standards Board (“SASB”). We are using GRI with select SASB indicators to characterise our sustainability goals, and ensure compliance with current regulations and laws, whilst respecting the precautionary approach.

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 effects and enhancing our positive influences across all stakeholder groups and arenas, while building a foundation of trust as a sustainable and conscientious business.

COMMITMENT TO SUSTAINABILITY

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

Due to our diverse interests in the real estate market, Fragrance Group has numerous suppliers to develop its properties, maintain its investment properties, or carry out its hotel operations or hospitality investments. Compared to 2018, Fragrance Group saw an increase in the number of suppliers, but nonetheless continued to maintain our principle of sourcing from local and regional suppliers. As a result, a large number of our suppliers are still based locally or regionally. The number of suppliers that we have for 2019 are as follows:

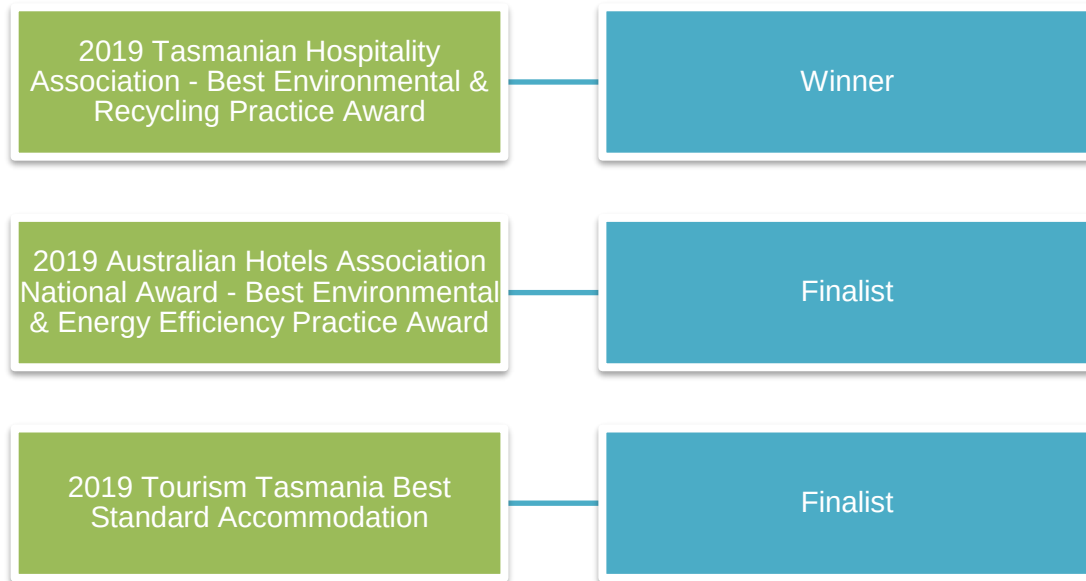
Summary of Suppliers 2019			
By Segment	SG	AUS	UK
Property Development	188	120	Nil
Commercial Properties	137	Nil	Nil
Hotel Operations	Nil	289	317
Hospitality Investment	Nil	Nil	108
Total	325	409	425

Based on the figures for 2019, the increment in the number of suppliers was felt in all of the three countries that Fragrance Group is operating in. In Singapore, the number of suppliers increased from 308 in 2018 to 325; in Australia, the total number of suppliers is 409 as compared to 333 in 2018; in the UK, the number of suppliers grew from 344 to 425. The increased number of suppliers can be attributed to the growing operations in all three countries, such as the ongoing development projects in Singapore (i.e. Jervois Treasures and Urban Treasures), the opening and operating of a new hotel, i.e. the Novotel Perth Murray Street, in Australia and the commencement of renovation works in the UK for projects such as the Municipal Buildings in Liverpool.

Similar to our practices in 2017 and 2018, we continuously strive to rank and streamline our supplies – this allows us to determine whether our suppliers conduct their business activities in a manner that is in line with our sustainable development strategy plan.

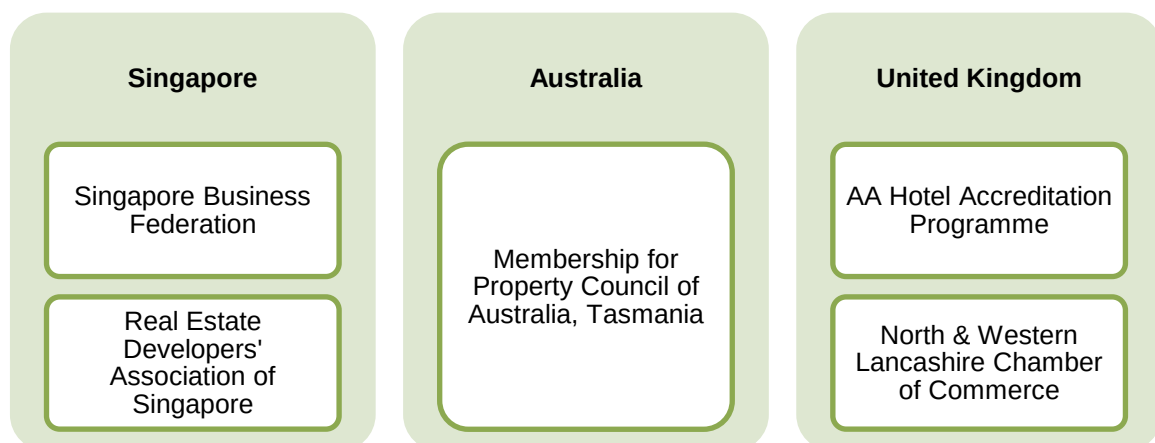
Awards & Recognition of Sustainability Initiatives

We are pleased to announce that we have continued to receive awards and recognitions for our sustainability efforts, particularly in Australia, where we won the Best Environmental and Recycling Practice Award (Tasmanian Hospitality Association) and were shortlisted for two other awards. Our table of achievements can be found below:



Having launched two developments in 2019 and multiple successful developments in Singapore in the past, we are well aware that developers are required to adhere to regulations issued by the relevant authorities and will also strive to ensure that our suppliers meet these requirements as well.

Through our subsidiaries and property managing companies (such as hotel operators), we are active members of various organisations and jurisdictions in Singapore, Australia, and the UK. Our decision in taking up such memberships is in line with one of our strategies, i.e. playing a greater role in the communities that we are impacting via our business activities. The following diagram illustrates the organisations that we are currently an active member of:



SUSTAINABILITY GOVERNANCE

GRI 102-18, 102-45

Sustainability Governance Structure

Fragrance Group's business operations and strategic directions is led by the Board of Directors. The Board of Directors comprises executive directors and independent directors, which serve on different committees within the company. The executive directors are involved in the strategic development of Fragrance Group's business and also its day-to-day operations; the independent directors, with their extensive experience, then serve as a check and balance of the executive directors. The composition of the executive directors and independent directors remain the same in 2018, i.e. three executive directors and three independent non-executive directors.

Besides their statutory duties and duties prescribed by SGX, the Board of Directors are also responsible for the leadership, reviewing of strategies, oversight of the company's activities, and making decisions on behalf of Fragrance Group. Fragrance Group's Board of Directors works together with its Company Secretaries, Audit Committee, Sustainable Development Team, and the Management to deliberate over high-level strategic developments and to ensure the smooth implementation of day-to-day operations.



Helping Fragrance Group is the Board of Directors, who are mainly responsible for the corporate affairs of Fragrance Group. The Board undertakes important and wide responsibilities; such responsibilities include managing the business affairs of Fragrance Group and ensuring that due caution is taken when dealing with such business affairs. Furthermore, the Board of Directors works with the various departments in Fragrance Group to develop each individual department's business strategies and the Board also evaluates the performance of each department. The head of each department is then responsible for

reviewing major control policies and procedures and reporting significant matters to the Board of Directors and the Audit Committee.

As one of the three Board Committees established by the Board of Directors, the Audit Committee consists of accounting and financial experts who are then well placed to oversee Fragrance Group's financial risk management and framework. The Audit Committee also serves an additional role by connecting the Board, the Management, and external auditors on matters related to auditing. It also assists the Board by safeguarding the assets of Fragrance Group, maintaining needed accounting records and ensuring that the various departments of Fragrance Group are sustaining an effective control environment by developing and maintaining effective internal control systems.

The Company Secretaries play an important role with functions that include but are not limited to advisory work and compliance work; advisory and compliance work include compliance with Fragrance Group's Constitution and relevant regulations under Singapore law such as the Companies Act, the Securities and Futures Act, and the SGX-ST Listing Manual. They also undertake advisory work, which includes assisting the Board of Directors in implementing and improving the policies and procedures for better corporate governance. Last but not least, they are also responsible in ensuring that the Board's procedures are properly made and executed through separate and independent accesses, while ensuring that all directors on the board comply with relevant rules and regulations.

The Sustainable Development Team ("SDT") was formed in 2017 and has been active since 2017, as reported in Fragrance Group's inaugural Sustainability Report. The SDT for 2019 is similar to 2018, and the SDT is helmed by the Deputy CEO and the CFO, who are responsible for reporting the SDT's activities to the Board of Directors. Similar to 2018, the SDT remains in charge of spearheading Fragrance Group's sustainability activities.

The SDT also led and implemented the sustainability initiatives at Fragrance Group and worked with external consultants in collecting requisite data in preparation for the Sustainability Report 2019. This includes reviewing Fragrance Group's sustainability targets, monitoring the progress of Fragrance Group's sustainability efforts, and preparing for 2020's materiality assessment and impact assessment. As a materiality assessment was conducted for Sustainability Report 2018 and is valid for two years, this year, the SDT is focused on implementing, reviewing, and evaluating its sustainability goals and accurate collection of data with regard to the preparation of the Sustainability Report 2019.

Fragrance Group's Annual Report 2019 also lists its corporate structure and proportion of ownership interest. The Annual Report 2019 is available online at the SGX website for the public. The Directors and SDT are unaware of any other entities or shareholdings that are beyond what is reported in the Annual Report 2019.

STAKEHOLDER ENGAGEMENT

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



Fragrance Group believes that effective stakeholder engagement supports the translation of their respective needs, and expectations into organisational goals, which supports current and future strategy crystallisation and implementation. Internal and external stakeholder groups are formally identified to have influence and a vested interest in our financial performance and ESG/sustainability impacts. Consistent with previous years' reporting, selection of our stakeholders is rooted in decision-making capacity, responsibility, and proximity, as illustrated in the diagram to the left. We pursue equal representation and weighting in each of our operating locations (Singapore, the UK, and Australia). As far as the Directors of Fragrance Group are

aware, there are no employees covered by collective bargaining agreements in 2019.

Approach to Stakeholder Engagement

In line with GRI Standards 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.

To ensure that we are targeting a significant sample of our stakeholders, we keep robust records of those in our internal and external relationships. They are as follows:

	Singapore	Australia	United Kingdom
Board of Directors	6	-	-
Investors	2,964	-	-
Bankers	7	-	-
Senior Management	2	-	1
Employees	27	47	46
Property Managers	3	2	1
Contractors/Suppliers/Consultants	325	291	318
Estimated Customers	~178 Tenants	~132,001 Guests	~85,032 Guests

In the diagram below, we showcase the various communication channels that Fragrance Group mobilises to maintain reciprocal engagement with each stakeholder group. Although there is some degree of non-response in relation to the deployed Materiality Survey, we are proud to state that there is a multitude of ways a stakeholder can choose to liaise with us.

Board of Directors	Internal - Ensure executive leadership and adequate resources to address stakeholder concerns and financial sustainability. • Board meetings (quarterly), Annual General Meeting
Senior Management	Internal - Ensure effective and efficient leadership of organisational teams, meeting quarter and annual objectives. • Face-to-face meetings (continuous), Emails and phone calls (continuous), Training (as required), Annual General Meeting
Employees	Internal - Ensure health and safety, competencies, welfare, and professional development fundamental to operational effectiveness. • Face-to-face meetings (continuous), Training (as required), Performance reviews (annually) • Top 3 Concerns: Employee Training, Employee Performance Reviews, Customer Health and Safety Compliance
Investors	External - Ensure shareholder returns, build a network of capital partners, maintain good corporate governance and communications. • Face-to-face meetings (continuous), Annual General Meeting, Regulatory Announcement on SGX (as required)
Bankers	External - Ensure transparent communication of business and construction plans. • Face-to-face meetings (continuous), Emails/phone calls (periodically), Annual General Meeting, Regulatory Announcement on SGX (quarterly)
Property Managers	External - Ensure the knowledgeable and responsible management of all properties under organisational ownership. • Face-to-face meetings (periodically), Emails and phone calls (periodically)
Customers	External - Ensure customers quality homes and business spaces to our homebuyers and tenants. • Contact through sales representatives (periodically), Brochures and advertisements (continuous), Emails/phone calls (periodically) • Top 3 Concerns: Customer Health & Safety Compliance, Economic Performance, Emissions
Contractors, Suppliers, and Consultants	External - Ensure construction compliance with industry safety standards and sustainable building methods. • Face-to-face meetings (continuous), Emails/phone calls (periodically) • Top 3 Concerns: Economic Performance, Employee Training, Employee Performance Reviews

MATERIALITY ASSESSMENT

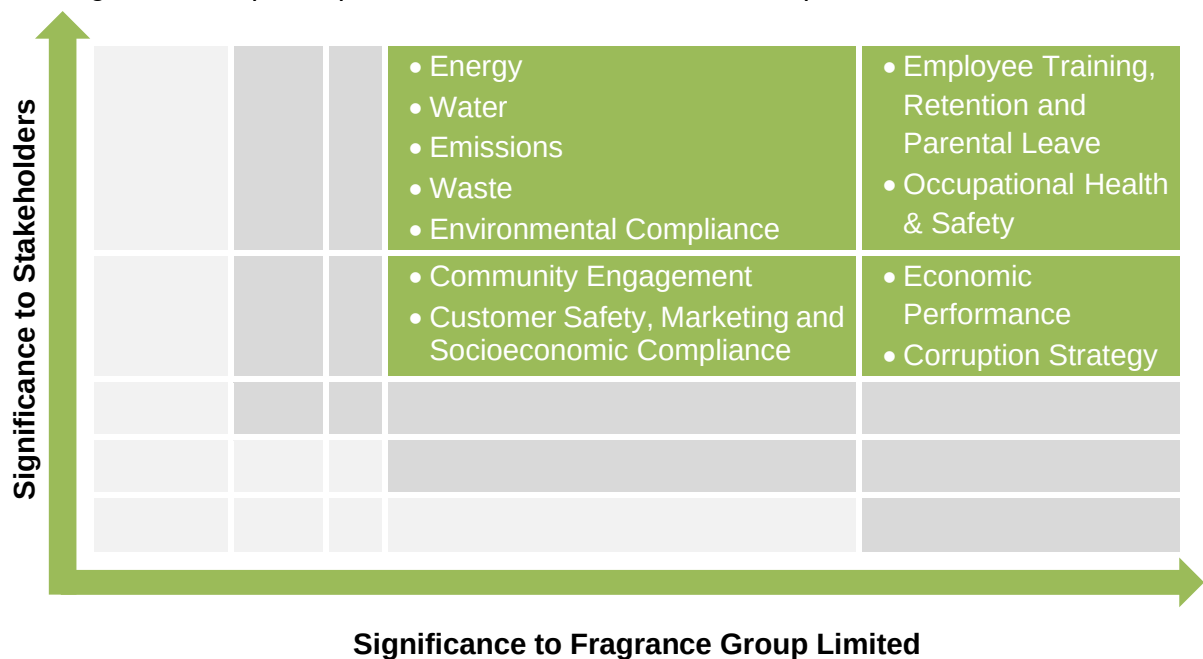
GRI 102-47

In line with SGX-ST's Practice Note 7.6 Sustainability Reporting Guide, 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 environments.

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

Coinciding with industry change, Fragrance Group's Materiality Assessment is sent to its stakeholder groups once every two years in Singapore, the UK, and Australia, with the automated results analysed. Therefore, the following material topics were derived from 2018's deployment and meta-analyses. A new Materiality Assessment will be designed for the 2020 Sustainability Report, incorporating lessons learned in sustainability reporting.

With an eye towards GRI Standards' materiality principle, Fragrance Group believes the following material topics represent a balanced view of its ESG performance in 2019.



In addition to aligning with GRI's indicators, Fragrance Group started reporting on its material ESG topics (e.g. energy and water) using SASB standards in 2018, and continues to do so using the SASB Real Estate Industry Standards (v.2018-10) in an effort to pursue an inclusive and valid industry-specific approach.

Fragrance Group believes that we must all exhibit good-faith efforts in the last "decade of change" before the 2030 Agenda's deadline, and therefore, our material topics must be linked to the United Nations' SDGs and the Global Compact principles to contextualise our work. We believe that responsible corporate behaviour contributes to the advancement of global sustainable development.

<i>ESG Material Topic</i>	Category	GRI	SASB	Aspect Boundary	Link to UN SDGs
Economic Performance	201 Economic Performance	201-1	-	Within / outside organisation	SDG 8, 9
Corruption Strategy	205 Anti-Corruption	205-2 205-3	-	Within organisation	SDG 16
Energy	302 Energy	Non-GRI	IF-RE-130a.1 IF-RE-130a.2 IF-RE-130a.4 IF-RE-130a.5	Properties, tenants	SDG 7, 8, 13
Water	303 Water & Effluents	Non-GRI	IF-RE-140a.1 IF-RE-140a.2 IF-RE-140a.4	Properties, tenants	SDG 6, 8
Emissions	305 Emissions	305-1	-	Properties, tenants	SDG 3, 12, 13, 14, 15
Waste	306 Waste	306-2	-	Properties	SDG 3, 6, 12, 14, 15
Environmental Compliance	307 Environmental Compliance	307-1	-	Properties	SDG 16
Employee Retention & Parental Leave	401 Employment	401-1 401-3	-	Within organisation	SDG 3, 5, 8, 10
Occupational Health & Safety	403 Occupational Health & Safety	403-1 403-2 403-4 403-5	-	Within organisation	SDG 3, 8
Employee Training	404 Training & Education	404-1 404-3	-	Within organisation	SDG 4, 5, 8, 10
Community Engagement	413 Local Communities	413-1	-	Outside organisation	SDG 8
Customer Health & Safety Compliance	416 Customer Health & Safety	416-2	-	Outside organisation	SDG 1, 2
Marketing Compliance	417 Marketing Compliance	417-3	-	Outside organisation	SDG 12, 16
Socioeconomic Compliance	419 Socioeconomic Compliance	419-1	-	Outside organisation	SDG 16

ECONOMIC PERFORMANCE

GRI 201-1

2019 was a challenging year for Fragrance Group and in spite of the uncertain economic situation, Fragrance Group has continued to generate revenue in all of its core sectors (i.e. property development, commercial investment, hotel operations, and hotel investment) with a total revenue of S\$58,156,000.

Financial and economic performance is intrinsically linked to sustainability as this helps to finance Fragrance Group's long-term sustainability plans and also protect the interests of our stakeholders. The largest contributor to Fragrance Group's revenues is the hotel operations segment with a revenue of S\$24,532,000; other segments such as property development, commercial investment, and hospitality investment were S\$7,506,000, S\$21,767,000, and S\$4,351,000 respectively.

“Solid economic performance is key in **long-term viability of sustainability policies.**”

Fragrance Group's operating costs were S\$7,302,000 for other expenses, S\$3,615,000 for selling and distribution costs, and S\$25,963,000 for administrative expenses.

Further information on Fragrance Group's financial performance can be found in its Annual Report 2019, which has been published on the SGX-ST website and has been distributed to its shareholders. The Annual

Report 2019 has been audited by independent auditors, i.e. Deloitte & Touche, and is made publicly available online.

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 UK.

CORRUPTION STRATEGY

GRI 205-2, 205-3

Fragrance Group is aware that transparent governance of its management and affairs is critical in anti-corruption measures and building trust amongst our stakeholders. Sustainable businesses in the 21st century must endeavour to run an ethical business free of corruption.

Several policies have been enacted by Fragrance Group in all three countries. High standards of ethics within the company are paramount and these policies aim to ensure the adherence of our employees to such standards. We announced our whistle-blowing policy in our Sustainability Report 2017, which gives our employees several ways to report corruption, fraud, dishonest practices, or other improprieties in the workplace if they so suspect. With such avenues for reporting, independent investigations and appropriate follow-up actions for any reported incident can be undertaken with proper and swift procedures.

Due to the different needs and purposes of each individual country, Fragrance Group is still evaluating whether a comprehensive anti-corruption policy should be developed and applied across all three countries in a uniform manner. Nonetheless, each individual country has its own anti-corruption policies. ibis Styles Hotel has an AccorHotel Ethic & Corporate Social Responsibility Charter which covers Accor's policies on anti-corruption in Australia. As for the UK, anti-bribery and competition law policies are available for employees; in addition, trainings on anti-bribery are conducted as well.

Maintaining Our Track Record in Anti-Corruption Incidents

Fragrance Group is pleased to report that for 2019, the total number and nature of confirmed incidents of corruption, total number of confirmed incidents in which employees were dismissed or disciplined for corruption, total number of confirmed incidents in which contracts with suppliers or business partners were terminated or not renewed due to corruption, and the total number of public legal cases regarding corruption brought by Fragrance Group was zero. We are proud to maintain our record for no corruption cases as per 2017 and 2018.

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.

ENERGY / WATER / EMISSIONS / WASTE / ENVIRONMENTAL COMPLIANCE

GRI 305-1, 306-2, 307-1, Non-GRI

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

Compliance with Environmental Regulation

We are pleased to report that in 2019, we recorded no cases of significant fines, sanctions, or non-compliance with environmental laws and regulations across all our regions of operation – Australia, the UK, and Singapore.

The environmental performance of all our properties reflects compliance to respective regional and national standards. Every project department and property management in Singapore and Australia is responsible for ensuring the compliance of their developing property and operational property, respectively. In the UK, external consultants are hired to ensure that our properties are fully compliant.

“The board of Fragrance Group considers the sustainability and environmental performance of its properties as **an essential part of their development.**”

Environmental Performance



Fragrance Group is a property developer with a broad portfolio comprising broad commercial and residential addresses. While Fragrance Group owns multiple hotels, property management contracts vary, and therefore, data collection methodologies to measure environmental performance will differ accordingly. In order to represent energy, water, waste, and emission material topics appropriately, Fragrance Group has endeavoured to showcase three properties in Singapore, Australia, and the UK and attempted to track their performance annually. If a property no longer falls within our portfolio, a similar property (in terms of size, and environmental consumption/production patterns) will be disclosed as a suitable alternative. Future representations may change as analytical methodologies evolve with our sustainability reporting.

It is important to note that 2-6 Collins Street, Municipal Buildings and The Palace Hotel are vital to Fragrance Group's property portfolio; however, since they are undergoing redevelopment and renovation, current energy, water, and waste figures were minimal (in some cases, nil). The figures are expected to fluctuate in the coming years. Additionally, since 555 Collins Street was sold in October 2018, 179 Macquarie Street will be reported instead, for which no 2018 data is available.

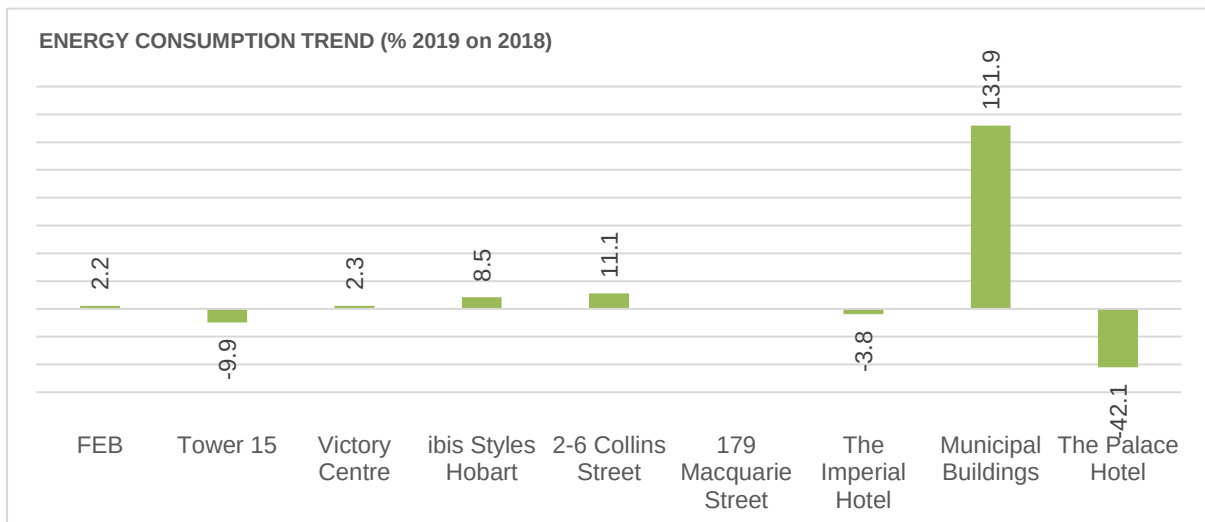
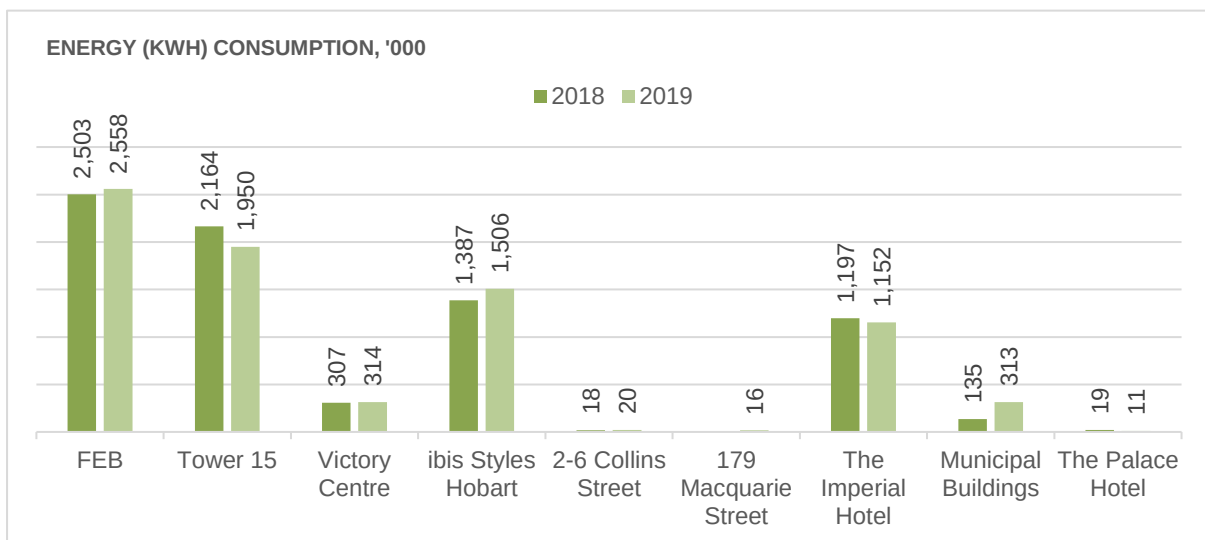
For FY2019, we have reported the performance of the following properties:

Singapore	Australia	United Kingdom
Fragrance Empire Building	ibis Styles Hobart	The Imperial Hotel
Tower 15	2-6 Collins Street	Municipal Buildings
Victory Centre	179 Macquarie Street	The Palace Hotel

Energy Footprint

Fragrance Group carries out monthly monitoring of the energy consumption of our properties to ensure that the energy-efficient initiatives we employ are effectively controlling and mitigating any significant energy load fluctuations.

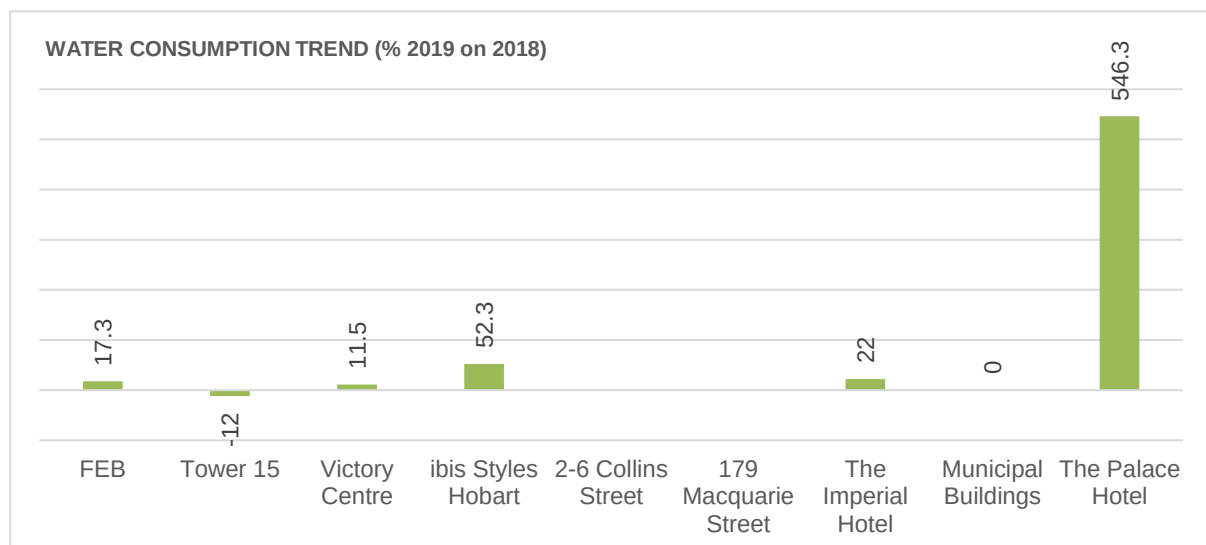
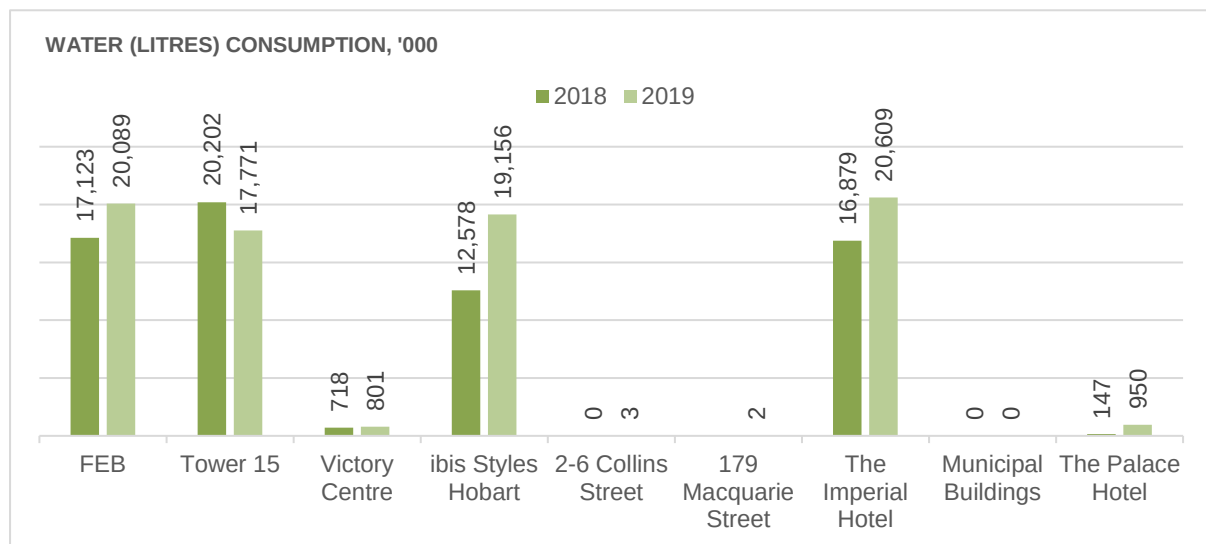
Singapore	(KWH) '000	Australia	(KWH) '000	United Kingdom	(KWH) '000
Fragrance Empire Building ("FEB")	2,558	ibis Styles Hobart	1,506	The Imperial Hotel	1,152
Tower 15	1,950	2-6 Collins Street	20	Municipal Buildings	313
Victory Centre	314	179 Macquarie Street	16	The Palace Hotel	11



Water Footprint

Fragrance Group ensures water consumption reduction at its properties through the instalment of low-flow technology on all toilet flushing systems and reminding tenants on the importance of saving water by displaying notices in every restroom. In addition, we have fitted all taps in the hotels with water restricting filters to prevent unnecessary high flow of water. Furthermore, we have implemented monthly monitoring procedures and recuperative initiatives to control and mitigate any water leakage issues.

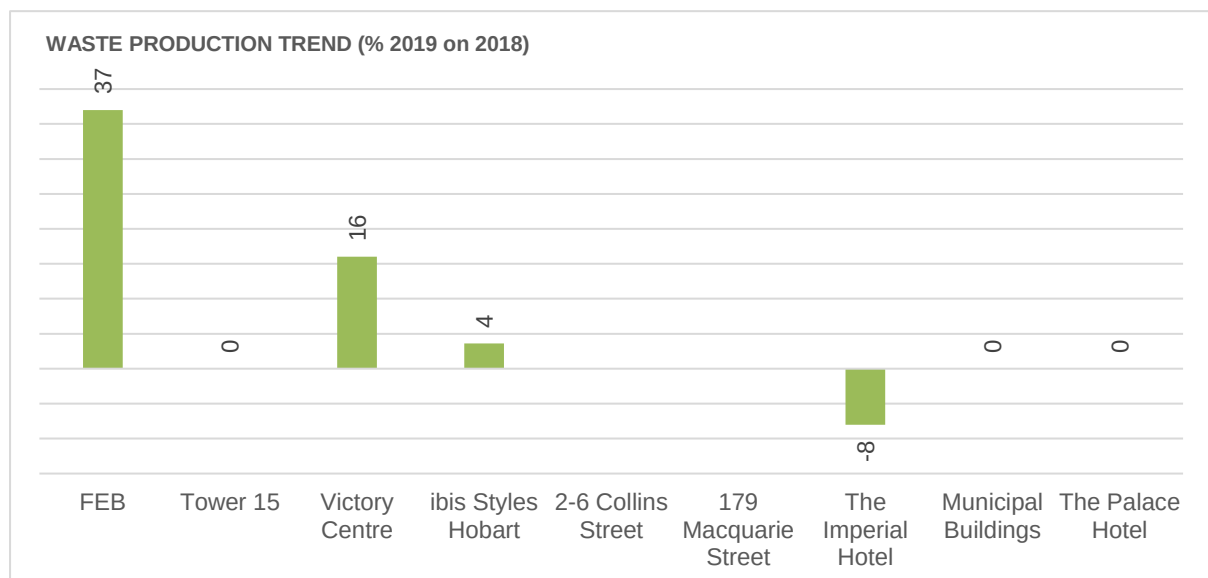
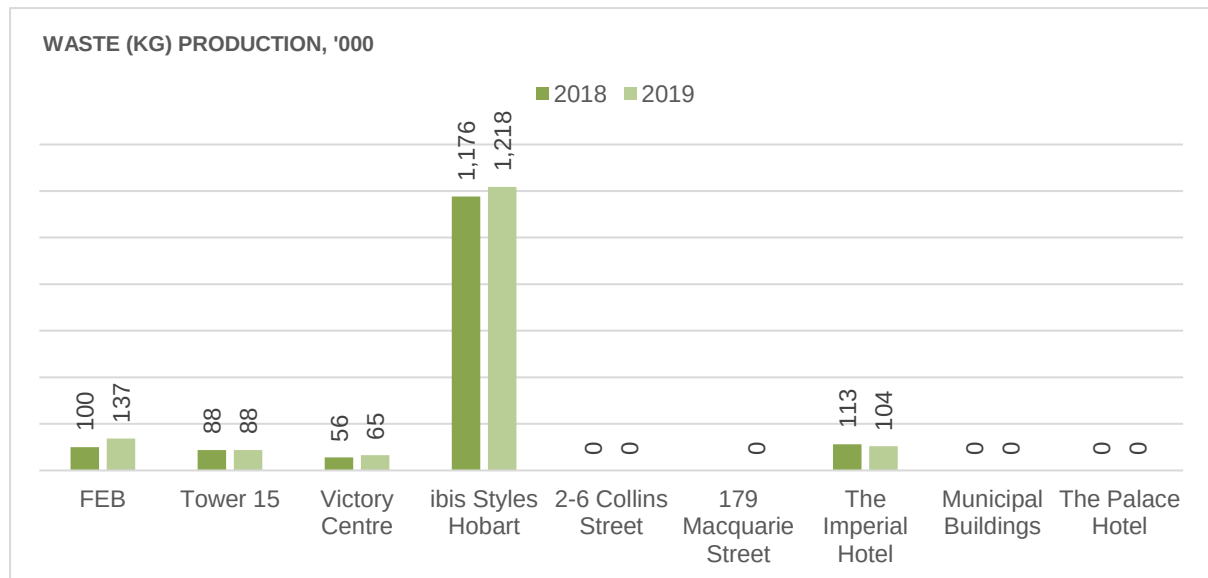
Singapore	(Litres)'000	Australia	(Litres)'000	United Kingdom	(Litres)'000
Fragrance Empire Building ("FEB")	20,089	ibis Styles Hobart	19,156	The Imperial Hotel	20,609
Tower 15	17,771	2-6 Collins Street	3	Municipal Buildings	0
Victory Centre	801	179 Macquarie Street	2	The Palace Hotel	950



Waste Footprint

Fragrance Group still has properties under development or renovation and thus, does not have any waste production for those properties and has monitored the waste production as below.

Singapore	(Kg) '000	Australia	(Kg) '000	United Kingdom	(Kg) '000
Fragrance Empire Building ("FEB")	137	ibis Styles Hobart	1,218	The Imperial Hotel	104
Tower 15	88	2-6 Collins Street	0	Municipal Buildings	0
Victory Centre	65	179 Macquarie Street	0	The Palace Hotel	0

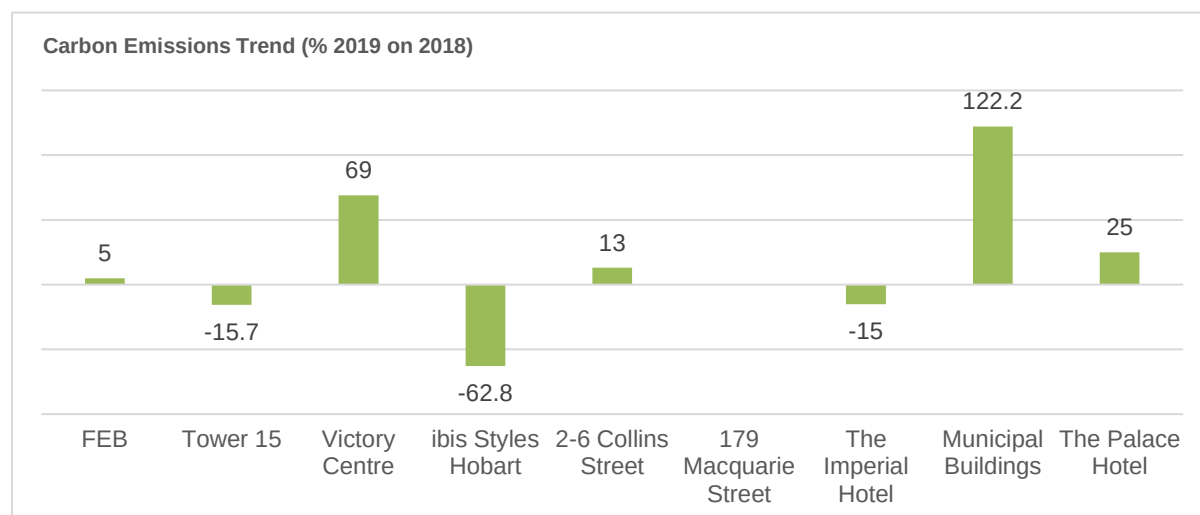
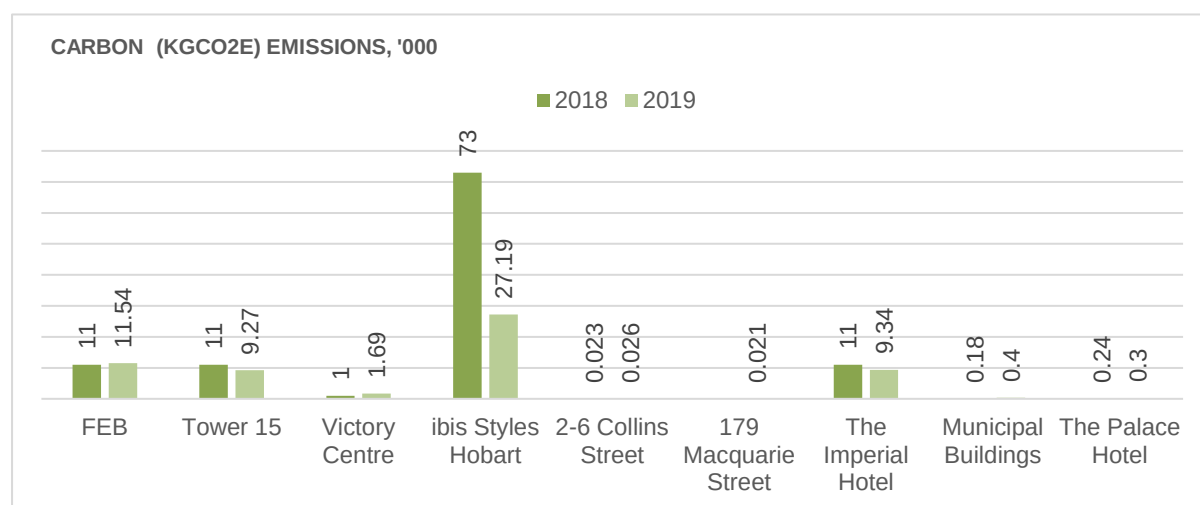


Fragrance Group hires third party contractors to dispose of the waste produced on our properties. Fragrance Group abides by and is committed to the AccorHotels Planet 21 Program and Corporate Social Responsibility Charter.

Emissions Footprint

A representation of Fragrance Group's carbon emissions are as follows. We note that FY2017 and FY2018 emissions' figures contained a calculation inaccuracy which did not have a material impact on the analyses. It has since been corrected in this and future reports.

Singapore	(KgCO ₂ e) '000	Australia	(KgCO ₂ e) '000	United Kingdom	(KgCO ₂ e) '000
Fragrance Empire Building ("FEB")	11.54	ibis Styles Hobart	27.19	The Imperial Hotel	9.34
Tower 15	9.27	2-6 Collins Street	0.026	Municipal Buildings	0.4
Victory Centre	1.69	179 Macquarie Street	0.021	The Palace Hotel	0.3



Looking Ahead

FY 2020 TARGET	KEY INITIATIVES
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 UK for mitigating environmental impacts.

EMPLOYEE TRAINING, RETENTION & PARENTAL LEAVE

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

Fragrance Group entrusts our mission delivery of sustainable business and operational impact to our employees, who are considered our most valuable resource and partners. We continue to strive to improve their technical capacities and promote their development, in order to maintain our high standard of excellence and value provision to our key stakeholder group.

Employee Retention

Fragrance Group ensures that the Human Resource Manual is updated and redistributed on an annual basis, as it is a vital cornerstone which delineates the policies and practices covering the relationship between employer and employee (e.g. employee or contracted worker); this also includes professional expectations. Compared to 2018, Fragrance Group experienced less employee onboarding and turnover, which can be attributed to greater financial stability. Additionally, all turnover in FY2019 was due to voluntary resignations.

Upon delivering notice of the employee's resignation or termination, the HR manager of each regional office will perform an exit interview with the leaver to ensure a smooth transition out of the company and to return company property. There are currently no severance packages available in Singapore and Australia. In the UK, post-employment assistance is possible if the employee has left due to redundancy.

"Employees are a company's lifeline.
**Their wellbeing is our wellbeing,
therefore investing in their service
capacity benefits all of us."**

Singapore

Onboard: 2 male employees 4 female employees
Turnover: 3 male employees 8 female employees

Compared to FY2018

Onboard: 7 male employees 8 female employees
Turnover: 5 male employees 6 female employees

Australia

Onboard: 10 male employees 5 female employees
Turnover: 2 male employees 5 female employees

Compared to FY2018

Onboard: 8 male employees 7 female employees
Turnover: 8 male employees 6 female employees

United Kingdom

Onboard: 9 male employees 4 female employees
Turnover: 12 male employees 10 female employees

Compared to FY2018

Onboard: 14 male employees 6 female employees
Turnover: 13 male employees 4 female employees

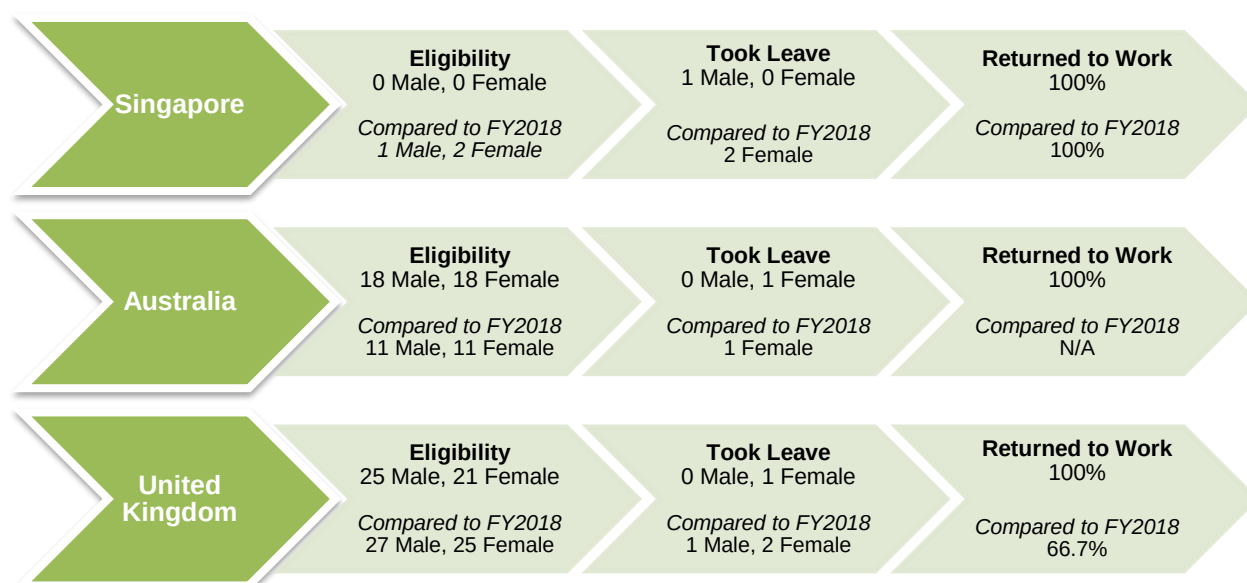
Parental Leave

Fragrance Group provides generous human resource policies and benefits to full-time employees. They vary based on "employment distance" to the central organisational corporation. For example, if the employee is retained under the hotel property owned by Fragrance Group, the hotel's own human resource policies would supersede that of Fragrance Group's headquarters. Additionally, there are national differences in benefit provision, which is dependent on the employment location.

Parental leave continues to remain our employees' foremost concern. In Singapore and Australia, our parental leave policies are in line with what regional laws and regulations consider appropriate leave remuneration. ibis Styles Hobart's employees (full-time, part-time, and contractors) are entitled to parental leave if they work for ibis Styles Hobart for at least 12 months.

In the UK, all team members can apply for parental leave based on UK legislation, and based on a selection criterion, they are eligible for Statutory Maternity and Paternity Pay ("SMP/SPP").

The image below delineates how many eligible employees in Singapore, Australia, and the UK exercised their parental leave and thereafter, returned to work. Compared to FY2018, there was no significant difference.



Employee Training

Since FY2018, Fragrance Group has successfully managed to reduce aggregate hours spent on internal technical and job-related training, in favour for higher-quality training and fostering our employees' motivation to opt for voluntary courses (via e-learning platforms) which will improve opportunities and capacities for client interfacing and operational management.

Quantitative hours of training vary dramatically across regions due to the differing needs of our regional stakeholders and the presented variety of internal training options available in collaboration with our partnered hoteliers.

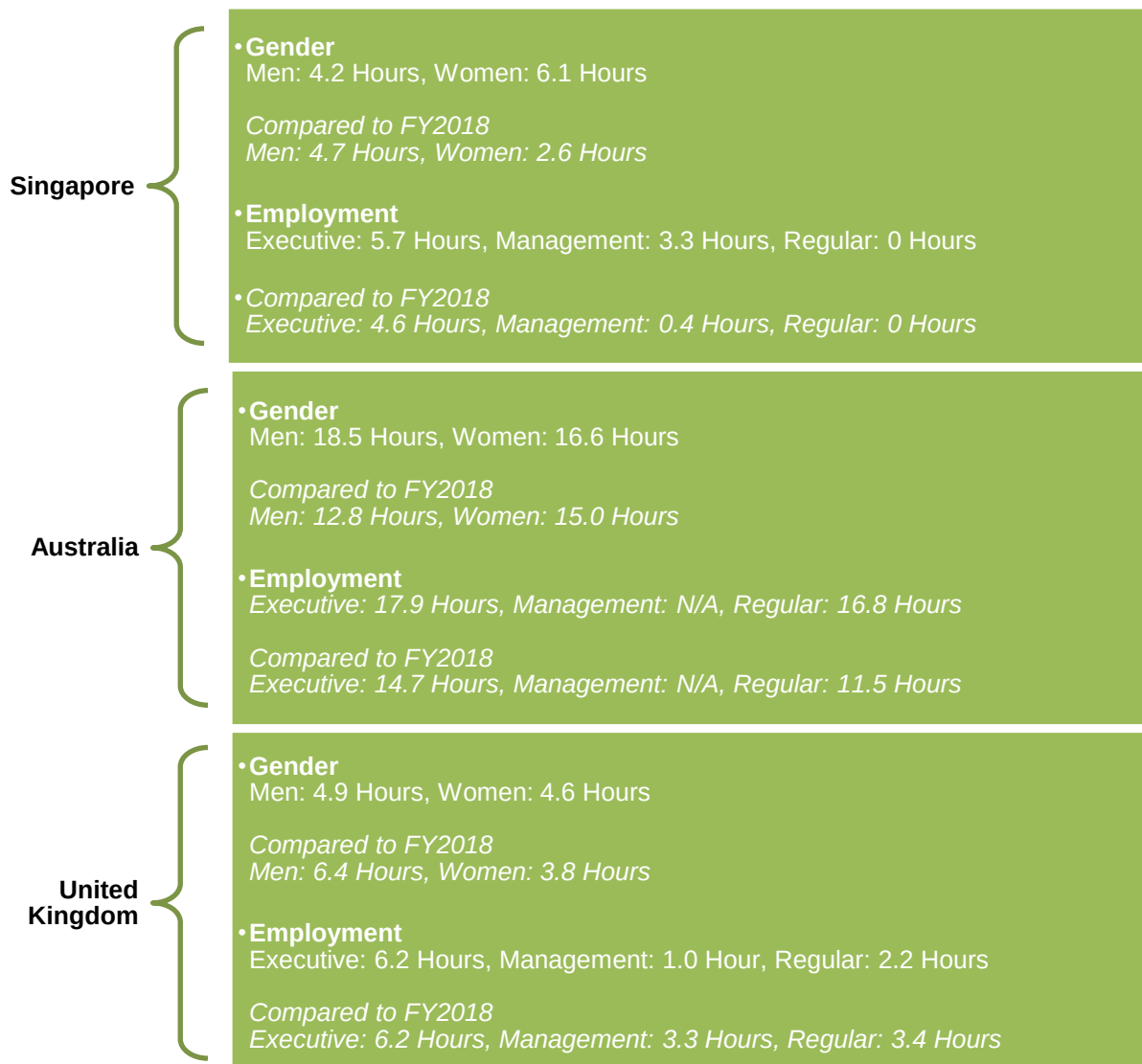
In the UK, the *SMILE Platform*, an RBH intranet platform, continues to remain a success for self-motivated bespoke training across 141 optional modules, including Health & Safety, Food Hygiene, Food Allergens, Licensing, etc. In-house training opportunities are carried out by Heads of Departments, Supervisors, General Managers, Operations Managers, or Human Resource department. There is funding support available for external training on specialist topics, including: Pool Responder, Plant Room, Cherry Picker, First Aid, etc, for the optimal health and safety of individuals residing at Fragrance Group-owned hotels in the UK.

In Australia, employees are trained through the *AccorHotels Academie* ("AHAcademie"), a licensed training tool, available to staff for participating locations. It is a formulaic model of success in terms of on-boarding staff at our ibis Styles hotels. In 2019, there were 15 internal

training programs available to employees covering topics such as child safety, ethics and corporate social responsibility, food and beverage, loyalty, reservations, and workplace coaching. There were four external training programs performed regarding Emergency Evacuation, Emergency Management, Wellbeing, and Work Health and Safety.

In Singapore, the majority of employees are in administrative and property management roles, and are therefore not required to undergo exhaustive job-related training. The regional office offers funding support for external training and education. In 2019, external training modules concerned matters such as first-aid, incident management, PDPA, emergency protocols, payroll, corporate taxations, and employment regulations.

The chart below delineates the number of training hours, disaggregated by gender and employee category level, compared to 2018. Team and department supervisors were asked to prioritise the quality of training over quantity, and to broadly reduce the number of aggregate training hours so that employees had more “on-the-job” opportunity to apply and tailor their learning.



Employee Performance Reviews

Fragrance Group provides voluntary performance reviews to employees who wish to reflect upon technical, personal, and professional performance in the work place. They are in line with good corporate behaviour and governance, giving teams the option to adjust and

communicate mutual expectations regarding good teamwork and leadership. They are typically conducted one to two times a year, with variations due to regional management protocol.

The policy for conducting employee performance reviews has not changed since 2018. Australia and the UK will utilise a hotelier's internal management system for communicating feedback, whereas in Singapore, the direct supervisor of the employee will conduct an open review session with the employee, creating a collaborative action plan and working document to rectify any concerns over supervisory management and employee productivity.

The chart below delineates the percentage of employees, disaggregated by gender and employee category level, who have received a regular performance review. We are working to increase the coverage in Australia and the UK to 100%, despite regional hotelier challenges. Coverage in Australia increased slightly from 47% in 2018 to 49% in 2019 because of the opening of Novotel Perth Murray Street Hotel in mid-December 2019, for which the 11 new staff members did not receive a performance review as they were onboarding. Coverage in the UK decreased from 81% in 2018 to 72% in 2019 because of a combination of staff leaving who have already had a yearly performance review, and an increase in staff, who were onboarding and received probationary reviews (not measured as a yearly performance review).

Singapore 100% reviewed FY2018 100% reviewed	Australia 49% reviewed FY2018 47% reviewed	United Kingdom 72% reviewed FY2018 81% reviewed
•Gender Male: 56% FY2018: 50% Female: 44% FY2018: 50% •Employee Category Management: 100% FY2018: 100% Executive: 100% FY2018: 100% Regular: 100% FY2018: 100%	•Gender Male: 57% FY2018: 47% Female: 43% FY2018: 53% •Employee Category Management: N/A FY2018: N/A Executive: 47% FY2018: 59% Regular: 56% FY2018: 11%	•Gender Male: 61% FY2018: 50% Female: 39% FY2018: 50% •Employee Category Management: 0% FY2018: 0% Executive: 60% FY2018: 88% Regular: 100% FY2018: 72%

Looking Ahead

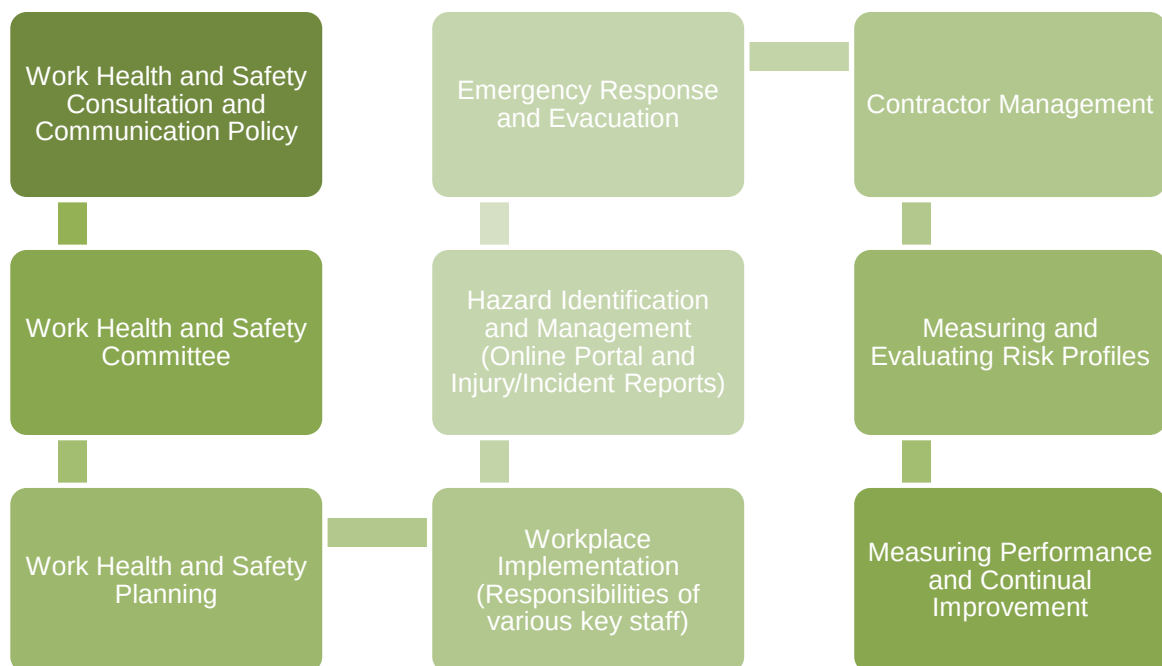
FY 2020 TARGET	KEY INITIATIVES
100% of full-time employees to receive regular performance and career development review.	Increase a culture of continuous performance management via communication and clarification of performance expectations.
100% of full-time employees to receive regular and adequate 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, 403-2, 403-4, 403-5

Fragrance Group believes that ensuring occupational health and safety of its employees, volunteers, and contractors retained directly or indirectly is an important element in its activities. We continue to practice the precautionary approach as reported in our inaugural Sustainability Report in 2017 and we continue to strive to protect our partners' and employees' health and safety.

An updated Work Health & Safety Policy released on 24 June 2019 by AccorHotels applies for Fragrance Group's hotel investments and operations in Australia for 2019. This policy is designed to safeguard workers, guests, and other visitors from being afflicted by injuries or illnesses. This manual provides important information to its employees, such as:



In Australia, 100% of employees are trained on occupational health and safety when they commence employment with the company and in annual refresher courses. This helps to ensure that employees are aware of the prevailing occupational health and safety policies.

As for the UK, there is no formal occupation health and safety provider nor department for occupational health and safety. However, there are various tools in place such as SMILE, SAEKER, RBH, and HAPPY that provide the relevant and necessary support in this area. These systems mainly cover work at the hotels and processes such as SAEKER (i.e. the process for safe systems of working and risk assessments) are used to identify work-related hazards and assess risks on a routine and non-routine basis. The Head of Department,

Operations Manager, Maintenance Manager, General Manager, and RBH work in tandem to eliminate such occupational health and safety risks.

In the UK, there is an absence process to allow workers to remove themselves from work situations that could cause injury or ill health, and the SAEKAR process is in place to allow investigations in work-related incidents. This occupational health and safety system is revised as needed. Nonetheless, historical and ongoing events were evaluated and subsequently added to the SAEKAR process in order to ensure up-to-date occupational health and safety measures.



Furthermore, all team members in the UK are required to complete a Health and Safety training as part of their induction and this is an ongoing process – such training includes a mixture of classroom lessons in the form of e-learning and practical learning. All Heads of Department are required to compile risk assessments for their own departments with the support of the Deputy General Manager and Maintenance Manager. Such activities are tracked and monitored on the SMILE and SAEKER platforms. In the event that an external occupational health provider is needed, there are different options available from either private services or the National Health Service.

“A healthy and safe working environment helps to protect our employees and partners – our core assets of the company – from unwanted exposure to injuries and ill health.”

Fragrance Group is still working towards the consolidation of its existing occupational health and safety practices for its staff in Singapore. One of its further goals is to streamline and make uniform the core principles of occupational health and safety policies across the three countries that it operates in. Our progress will be reported in Sustainability Report 2020.

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.

COMMUNITY ENGAGEMENT

GRI 413-1

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, i.e. a nuanced iteration of our Know-Your-Client procedure.

Community Awareness via SGXNet

As an SGX-listed entity, Fragrance Group ensures the regular distribution of relevant public information on SGXNet to notify our community stakeholders of corporate performance and changes. In 2019, we released 34 notices in SGXNet, ranging from General Announcements to Disclosures of Interest, and Financial Statements.

“Empowering our community members with transparent information about changes to their neighbourhood’s fabric is something that **we are committed to.**”

Engaging with our Community Stakeholders

Fragrance Group acknowledges that because we are operating in the real estate development and management space, i.e. building vital living spaces, it is important that our stakeholders are empowered with engagement opportunities to be informed of and voice their concerns regarding planned refurbishment, renovation, new construction, and development of commercial, hotel, and residential property.

In Singapore, Fragrance Group is developing a residential condominium comprising 2 blocks of 12-storey apartments (237 units with an upper and lower deck carpark at 205 Jalan Eunos). The property will include a swimming pool, tennis court, communal roof terraces, BBQ pits, other communal facilities, and landscaping. In taking the precautionary approach, we have distributed informational Stage 1 flyers to residents in close proximity to the proposed development site. The flyers delineate schematic representation of proposed developments, road improvement action plan, key milestone dates, preventative and control information about traffic, pollution, and noise as a direct result of construction.

More importantly, the flyers provide contact avenues to actively solicit feedback about community members’ concerns about changes to their neighbourhood. They are additionally furnished with the contact information of oversight and regulatory authorities in case they have additional queries about the 205 Jalan Eunos development. As the developer, our contact information is made transparent.

In the UK, local community grievance procedures are typically formalised through the Torbay Civic Society (“TCS”) Committee website. The TCS in the UK regularly monitors Torbay Council’s public planning notices to watch for any changes which affect built heritage, open green spaces, parks of the environment. They are considered a broad-based local community consultation committee protecting collective neighbourhood interest.

Further information can be found on: <http://torbaycivicsociety.co.uk/planning/>

In 2019, we continue to collect feedback for the three developments which were slated for regeneration in 2018: Corbyn Head Hotel and The Palace Hotel (stakeholder approved and demolition has begun), and Park Hotel and The Lighthouse Paignton Esplanade (stakeholder approved and construction has begun).

Fragrance Group has also proposed to repair, convert, and extend the Mineral Water Hospital (acquired in January 2018) into a 4/5-star hotel for the city of Bath. In December 2018 and June 2019, we submitted two pre-application scheme designs, which sought broad stakeholder views. We are engaged in ongoing consultations with the Historic England and Bath & North East Somerset Council in order to integrate feedback into the 3rd proposal iteration. Stakeholders have been directed to a dedicated website: www.theminexhibition.co.uk to submit their feedback. As we finalise construction plans, we continue to pursue informed consent and approval from our neighbourhood and community.



In line with regulations, Fragrance Group often publishes invitations for public consultations in local newspapers as advertisements. Along with a web-presence, the Lighthouse Paignton Esplanade also invited community members for a townhall meeting to meet Fragrance Group team members and discuss community impacts and view proposals in person on 1 May 2019 at The Paignton Club. The results have been published at: www.lighthouseexhibition.co.uk.

In Australia, there were two projects in 2019: 179 Macquarie Street, and 234-250 Elizabeth Street. In line with Hobart's construction requirements, a proposal for 179 Macquarie Street was developed and approved, which solicited community engagement regarding the demolition of the existing building and subsequent construction of a nine storey, 206-room hotel building.

The 234-250 Elizabeth Street project developed an archaeological test trenching proposal with an external consultant, which sought to understand the environmental, cultural, and community-wide implications of archaeological excavation in preparation for planning and construction. The Cultural Heritage Management Australia provided advice on culturally sensitive and lawful approaches to any found Aboriginal remains and cultural heritage materials.

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.

CUSTOMER HEALTH & SAFETY, MARKETING, AND SOCIOECONOMIC COMPLIANCE

GRI 416-2, 417-3, 419-1

In 2019, Fragrance Group is pleased to maintain its strong record in customer health and safety compliance, marketing compliance, and socioeconomic compliance. We continue to work towards safeguarding our customers' wellbeing in both the virtual and physical spaces.

Maintaining Our Record for Customer Health & Safety

Fragrance Group is proud to maintain a strong record for customer health and safety for its customers – we have zero incidents of non-compliance with regulations resulting in a fine or penalty and zero incidents of non-compliance with regulations resulting in a warning across all the three countries that we have operations in. In Singapore, any incidents of non-compliance with voluntary codes have been rectified when questioned by the relevant authorities. In Australia and the UK, there were zero incidents of non-compliance with voluntary codes.

“Customer health and safety, marketing and socioeconomic compliance ensures that the interests of **our customers – one of our important stakeholders – are appropriately addressed.**”

Our strong record in customer health and safety is largely in part due to the policies that we have adopted in 2018, such as the implementation of policies and procedures which include regular inspections, periodic inspections, and internal audits of the hotel; this has ensured the safety and wellbeing of our guests in the UK. Similar to 2018, we have also conducted fire drills in our investment properties in Singapore so that our tenants are well-prepared in the event of an emergency. As seen by our good record in 2019, these initiatives have borne results. One of our subsidiaries in Singapore is also a member of the Real Estate Developers' Association of Singapore; therefore, we are required to comply with its health and safety policy standards for our ongoing property development projects.

Nonetheless, Fragrance Group understands the importance of being compliant and will continue to work towards developing or updating relevant health and safety policies for its customers and tenants.

Marketing Compliance – Maintaining the Perfect Record

Similar to 2018, Fragrance Group is pleased to report that the total number of incidents of non-compliance with regulations resulting in a fine or penalty, incidents of non-compliance with regulations resulting in a warning, and incidents of non-compliance with voluntary codes concerning marketing communications including advertising, promotion, or sponsorship are zero.

Due to the new developments in Singapore, Fragrance Group is obliged to adhere to marketing regulations for the sale of its apartments. Real estate slated for sale are advertised through traditional marketing mediums such as newspaper advertisements, radio broadcasts, brochures, and through professional real estate agents. Fragrance Group's ongoing developments in Australia are advertised through similar mediums such as Singapore, i.e.

professional real estate marketing agents, brochures, and online and newspaper advertisements.

Compliance with Laws and Regulations in the Social and Economic Areas

Fragrance Group is proud to report that it has zero significant fines and non-monetary sanctions for non-compliance with socioeconomic laws and regulations in all the three countries that it operates in. It did not have any cases brought through dispute resolution mechanisms either. As Fragrance Group did not receive any cases for non-compliance in the socioeconomic area and does not have an in-house legal department, it did not seek any external legal advisor in this area. Nonetheless, Fragrance Group is aware of the importance of international treaties and international agreements and seeks to ensure that its operations do not contravene such laws, regulations, and agreements.

Looking Ahead

FY 2020 TARGET	KEY INITIATIVES
Zero non-compliant incidents in customer health & safety compliance.	Emphasis on the importance of customer health and safety and strict implementation of health and safety policies to prevent any further incidents.
Preparing a policy or approach to underline management approach on compliance with international laws.	Develop policy through discussion with internal stakeholders and external legal experts.

GRI CONTENT INDEX

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

GRI Standard	Disclosure Title	Page Reference & Remarks
GENERAL DISCLOSURE		
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102-12	External initiatives	Pg. 11-12
102-13	Membership of associations	Pg. 11-12
STRATEGY		
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ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behaviour	Pg. 8-10
GOVERNANCE		
102-18	Governance structure	Pg. 13-14
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	Pg. 15-16
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REPORTING PRACTICES		
102-45	Entities included in the consolidated financial statements	Pg. 13-14
102-46	Defining report content and topic boundaries	Pg. 2, 8-10
102-47	List of material topics	Pg. 17-18
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102-51	Date of most recent report	Pg. 2
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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. 36-39
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	● Economic Performance (Pg. 19) ● Corruption Strategy (Pg. 20) ● Energy (Pg. 21-25) ● Water (Pg. 21-25) ● Emissions (Pg. 21-25) ● Waste (Pg. 21-25) ● Environmental Compliance (Pg. 21-25) ● Employee Retention & Parental Leave (Pg. 26-29) ● Occupational Health & Safety (Pg. 30-31) ● Employee Training (Pg. 26-29) ● Community Engagement (Pg. 32-33) ● Customer Health & Safety Compliance (Pg. 34-35) ● Marketing Compliance (Pg. 34-35) ● Socioeconomic Compliance (Pg. 34-35)
103-2	The management approach and its components	
103-3	Evaluation of the management approach	

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ENERGY		
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WATER		
Non-GRI	Water consumption within the organisation SASB - IF-RE-140a.1 SASB - IF-RE-140a.2 SASB - IF-RE-140a.4	Pg. 21-25
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413-1	Operations with local community engagement, impact assessments, and development programs	Pg. 32-33
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MARKETING COMPLIANCE		
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419-1	Non-compliance with laws and regulations in the social and economic area	Pg. 34-35



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