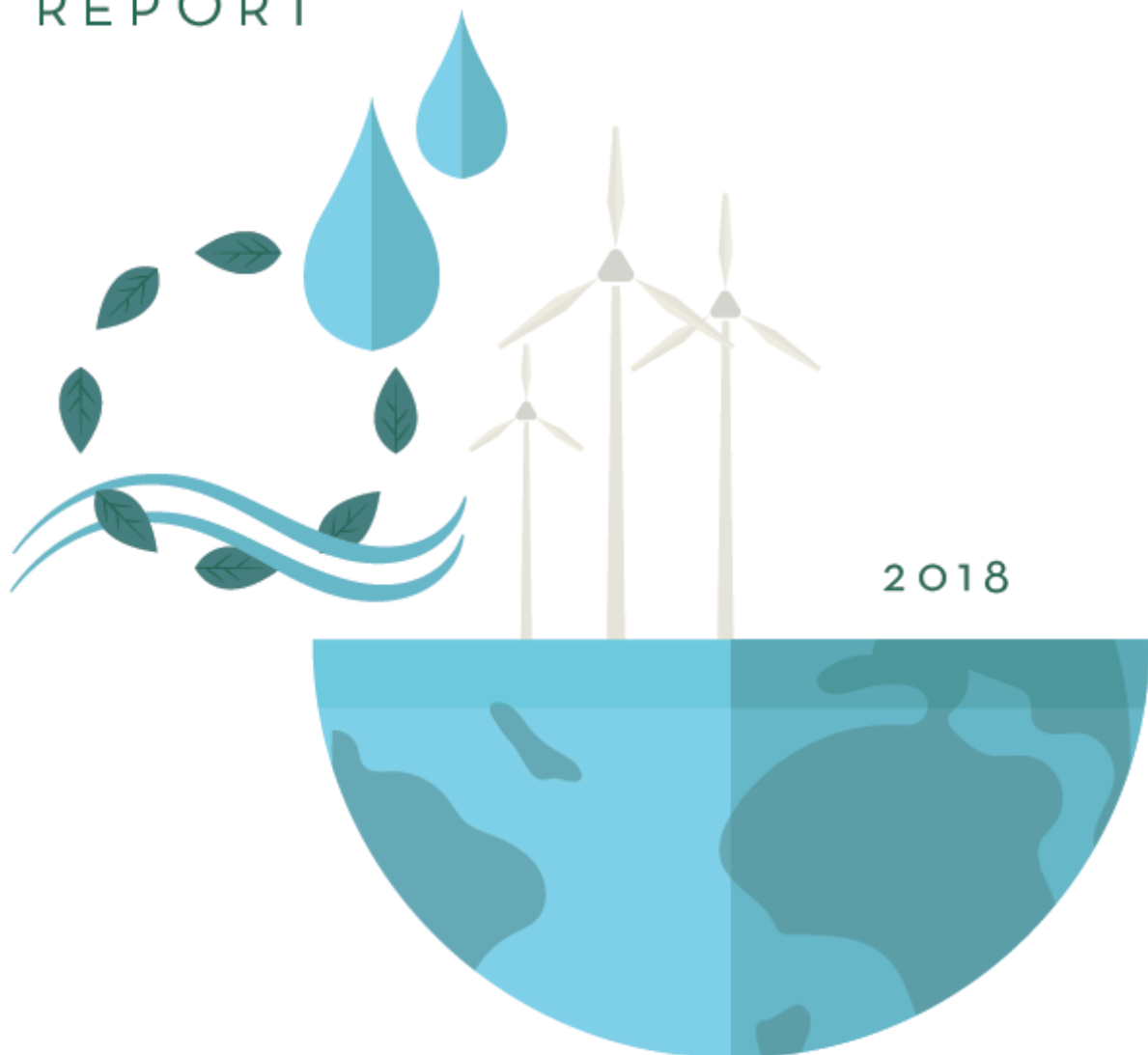




HOTEL GRAND CENTRAL

SUSTAINABILITY

REPORT



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Corporate Profile

Incorporated on 13 June 1968 and listed the Singapore Stock Exchange since 1978, Hotel Grand Central Limited (“HGC” or “the Group”) is an established hotel owner and operator with a regional presence. As of 31 December 2018, the Group owns 14 wholly owned hotels and 5 wholly owned investment properties across Singapore, Australia, New Zealand, China and Malaysia and 5 associated hotels in Malaysia.

Malaysia



Wholly owned hotels

1. Hotel Grand Crystal, Kedah

Associated hotels

1. Hotel Grand Continental, Kuala Lumpur
2. Hotel Grand Continental, Kuala Terengganu
3. Hotel Grand Continental, Kuching
4. Hotel Grand Continental, Kuantan
5. Hotel Grand Continental, Langkawi

Singapore



Wholly owned hotels

1. Hotel Grand Central
2. Hotel Chancellor@ Orchard



China



Wholly owned hotels

1. Hotel Grand Central, Sihui

Australia & New Zealand



Wholly owned hotels

1. James Cook Hotel Grand Chancellor Wellington
2. Hotel Grand Chancellor, Adelaide
3. Hotel Grand Chancellor, Auckland City
4. Hotel Grand Chancellor, Brisbane
5. Hotel Grand Chancellor, Hobart
6. Hotel Grand Chancellor, Launceston
7. Hotel Grand Chancellor, Melbourne
8. Hotel Grand Chancellor, Palm Cove
9. Hotel Grand Chancellor, Townsville
10. The Chancellor on Currie, Adelaide

Wholly owned investment properties

1. 300 Flinders Street, Melbourne
2. James Cook Arcade and Office Tower, Wellington
3. JacksonStone House, Wellington
4. Grand Central Building, Christchurch
5. PWC Centre, Christchurch
6. Fonterra House, Hamilton, New Zealand

About the Report

Hotel Grand Central is proud to present our second Sustainability Report which is prepared in accordance with Practice Note 7.6 by Singapore Exchange Securities Trading Limited (“SGX-ST”). This report aims to encapsulate our approach and performance on Environmental, Social and Governance (“ESG”) topics identified as the most important to the Group and its stakeholders.

The reporting scope covers the performance of seven (7) wholly-owned hotels in Singapore, Australia and New Zealand for the period from 1 January 2018 to 31 December 2018 (“FY2018”). Wherever possible, comparative performance data for FY2017 has also been included. As our reporting practice matures, we look forward to expanding our reporting scope in subsequent years.

The report has been prepared in accordance with the internationally accepted reporting framework Global Reporting Initiative (“GRI”) Standards – Core Option. The framework has been selected as it covers a comprehensive range of disclosures suitable for HGC and the industry it operates in.

Figure 1: List of Operations within SR2018 Reporting Scope

Singapore



- Hotel Grand Central
- Hotel Chancellor @ Orchard

Australia



- Hotel Grand Chancellor, Adelaide
- Hotel Grand Chancellor, Brisbane
- Hotel Grand Chancellor, Hobart
- Hotel Grand Chancellor, Townsville

New Zealand



- James Cook Hotel Grand Chancellor Wellington (“JCHGC”)

Stakeholder Engagement

Regular interaction with our stakeholders is crucial for HGC's long-term viability and sustained excellence. We engage with our stakeholders through various channels to better understand their concerns. The table below summarises their key interests and our responses.

TABLE 1: HGC STAKEHOLDER ENGAGEMENT METHOD

Stakeholder Groups	Key Interests of Stakeholder Groups	Hotel Grand Central's Response	Methods of Engagement	Frequency of Engagement
Hotel Guests	- Guest satisfaction - Provision of a safe and healthy environment for all	Refurbishments and upgrading of facilities	Feedback forms	Ongoing
			Face-to-face meetings	Ongoing
Employees	- Workplace health and safety - Working environment - Team morale - Fair employment practices	- Active employee engagement - Timely review and resolution of matters raised by employees	Face-to-face consultations and feedback	Ongoing
			Committee Meetings	Monthly
Shareholders and the Investment Community	- Financial performance - Growth prospects and business outlook - Sustainable value	Timely and consistent disclosure of hotel operations and performance to assist shareholders in investment decisions	Annual General Meeting (AGM)	Annually
			Quarterly Report	Quarterly
			Organised visits from Directors	Thrice a year
Suppliers	- Long-term and strong business relationship - Feedback on quality of services provided	Communicate and align expectations between HGC and suppliers	Meetings	Ongoing
			Email and phone call correspondence	Ongoing and as and when required upon end of contract
Business Partners	Consolidated effort to improve the hospitality sector	Networking and exchange of information with various business partners at industry events	Attendance in meetings hosted by economic development agency	Quarterly (NZ)
			Meetings	Ongoing
			Email and phone call correspondence	Ongoing
Regulators	Compliance with relevant laws and legislation across countries of operation	- Qualified and experienced maintenance team to ensure regular checks and maintenance work are conducted - Stay abreast of changes in any regulations	License application and renewal (i.e. liquor)	Annual
			Onsite inspection	As and when required by regulatory bodies
Local Communities	Improve relations and ties in the communities HGC operates in	Regular involvement in local scene and environment	Employee volunteerism	Annual (Australia / NZ)
			Support towards Earth Hour	Annual
			Monetary and in-kind donation (food and clothing)	Ongoing

Case Study: HGC gives back to society!

In FY2018, a total of close to SGD\$200,000 was donated to various charitable organisations across Singapore. They range from charity healthcare institutions, voluntary welfare organisations for the physically and visually handicapped, elderly, children and animals as well as home hospice care providers. \$75,000 was also presented to National University of Singapore as a support towards education in Singapore. In FY2019, HGC looks to further its contribution through a scholarship donation to the NUS School of Social Sciences for a sum of \$150,000.



HGC's support at annual fundraising charity event, Walk for Our Children 2018, held by Children's Society. Our staff set up a games booth (left) at the carnival and was presented with a token of appreciation (right).



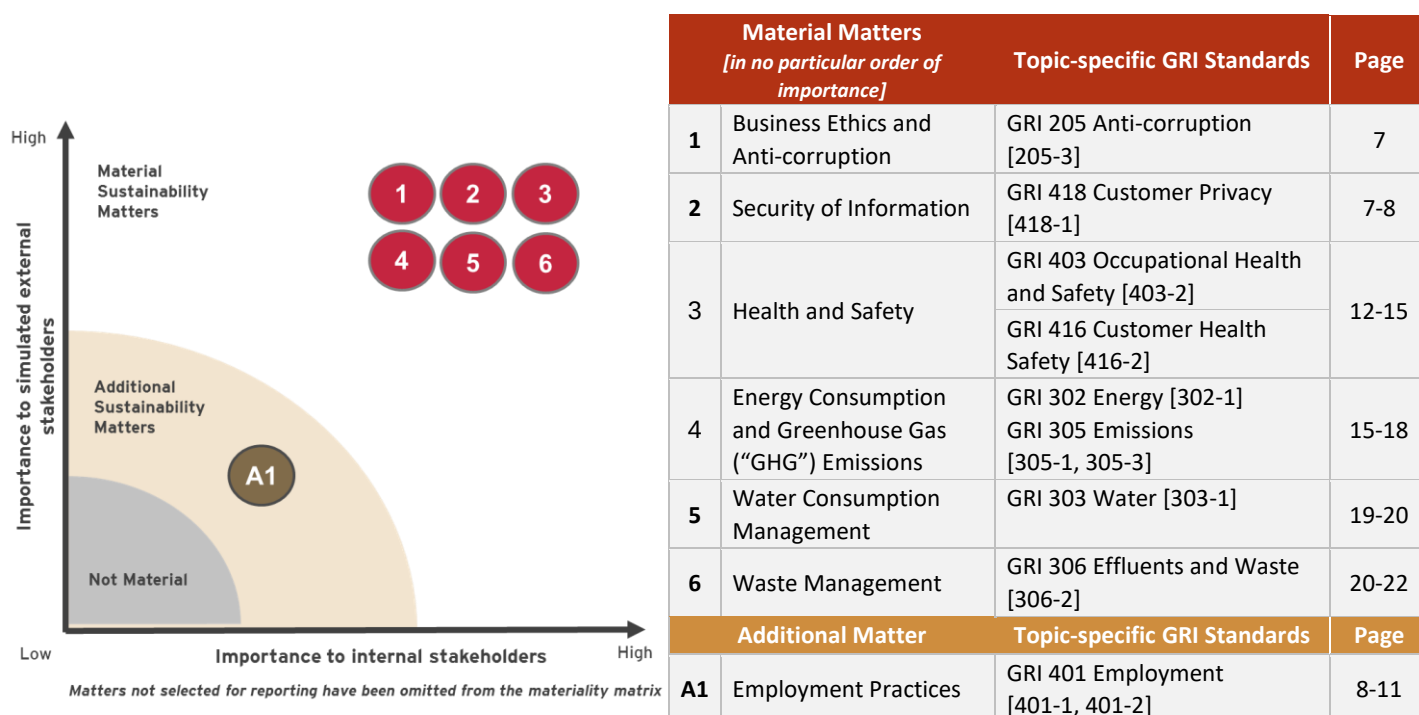
All fun, smiles and laughter at the carnival!

Materiality Assessment

With our regular assessment of stakeholder feedback vis-à-vis industry trends, we aim to transform key concerns that matter most to our key stakeholders into actionable practices that improve our day to day operations. For the financial year ended 2018, the Management has reviewed the list of material matters reported in 2017 for its relevance in light of the new reporting scope. The seven (7) sustainability matters; (6) priority material matters, and one (1) additional matter were presented to the Board for their validation and received endorsement in December 2018.

HGC will continue to disclose detailed ESG performance of its operations based on these seven sustainability matters. Annual review of these material matters will be performed to ensure continued relevance to our business.

FIGURE 2: HGC MATERIALITY MATRIX AND MAPPING TO GRI STANDARDS DISCLOSURES



Approach to Sustainability

Operating in the vibrant and dynamic hospitality industry, we are cognizant of our businesses' impact to the environment. HGC continually strives to enhance our management approach to address key areas in our operations that affect the way we create and share value.

Sustainability is integrated into our business model. The approach we take is differentiated according to each sustainability matter. The Group is responsible for setting fundamental, group-wide policies in Corporate Governance and Human Resources. Our hotels are locally managed and the respective General Managers will take the lead in setting relevant local targets, managing sustainability practices and tracking performance of initiatives related to data security, resource consumption, and health and safety. The combined sustainability performance at Group level is overseen by **Ms. Tan Hwa Lian** (Executive Director) who reports to the Board quarterly.

FIGURE 3: MANAGEMENT APPROACH FOR DIFFERENT MATERIAL MATTERS

Material Matter	Management Approach
Business Ethics and Anti-Corruption	All hotels are required to comply with the Group's Code of Conduct and Anti-Corruption policies.
Security of Information	Policy on Data Safety which needs to comply with local Personal Data Protection Act is managed locally by hotels' management and reported to Executive Director in Singapore.
Health and Safety	These matters are managed locally by hotels' management.
Energy Consumption and Greenhouse Gas (GHG) Emissions	
Water Consumption Management	
Waste Management	
Additional Matter	Management Approach
Employment Practices	All hotels are required to comply with Group Workplace Diversity and Harassment policy and Employee Handbook. Besides common benefits, each hotel has specific employee benefits to adapt to local labour market conditions and to comply with local labour law and regulations.

Board Statement

The Board considers sustainability matters as part of the Group's strategic formulation. In 2017, the Board together with the management determined six material Environmental, Social and Governance ("ESG") matters which have the most impacts on our value chain and stakeholders. After internal review, the Board has confirmed the continued relevance of those matters in 2018. The Board exercises oversight in the management and monitoring of the material ESG matters. The respective management team at each hotel ensures established policies and procedures in relation to those matters. The performance is closely monitored and reported to the Board on an annual basis.

1. Commitments to sustainability supported by strong governance

1. Business Ethics and Anti-corruption

We believe that good and effective governance is essential to protecting stakeholders' interests and brand reputation. The Group is committed to upholding the highest standards of corporate governance and has zero tolerance towards any act of corruption or other improprieties that may include fraud, bribery and / or any violations of our internal policies.

Key principles of honesty, integrity, fairness and respect are ingrained in our Code of Conduct and other related policies, which are included in our Employee Handbook. This Handbook conveys the tone from top which guides employees on the expected conduct in their day-to-day routine and interactions with various stakeholders. Made available upon employment, all employees will have to read, abide and acknowledge with a sign off to the principles and rules therein.

Our policies will be reviewed annually by the Management whereby changes made are relayed to employees in a timely manner. Annual internal and external audits conducted allow us to ensure that policies are being implemented effectively. We record zero confirmed cases of corruption reported through the whistle-blowing channel in FY2018. The Group will continue to upkeep this track record.

TABLE 2: POLICIES ON BUSINESS ETHICS AND ANTI-CORRUPTION

<i>Code of Conduct</i>	<i>Policy on Whistle Blowing</i>
The Code sets out the expectations of employees to perform duties in a responsible and professional manner, to promote and protect the reputation of our brand as well as to act appropriately when conflicts arise.	This group-wide policy provides a channel for employees and third-parties to report in confidence, without fear of reprisals, concerns about possible improprieties in financial reporting or other matters.

2. Security of Information

Maintaining the confidentiality and safeguarding privacy of our guests is paramount to us. Each country maintains their local Standard Operating Procedures ("SOP") which follows local regulations on security of information and personal data protection. Reviewed annually, these SOPs govern how our hotels collect, use, disclose, store and give access to *personal information*, which may include guest details, credit card information, employee's personal information and vendor price agreements. Hotels also strictly comply with record-keeping laws and credit card security standards of merchant banks.

As we continue to emphasise importance of data privacy and security of information, training on best practices is provided to all employees. For employees such as our Reception staff who frequently collect personal data and information, additional training will be provided as appropriate.

TABLE 3: APPLICABLE PERSONAL DATA PROTECTION ACT BY COUNTRY THAT WE COMPLY WITH

<i>New Zealand</i>	<i>Australia</i>	<i>Singapore</i>
Privacy Act 1993	Privacy Act 1988	Personal Data Protection Act 2012

To further our commitment to data privacy and security, server controls have been outsourced to a third-party service provider. Access management is determined by the General Manager, and entry is granted based on role requirements.

At any given time, access is limited to designated persons-in-charge on a need-to-know basis. Our Information Technology (“IT”) consultants also ensure that our systems are up-to-date by conducting regular upgrades on servers, email exchange systems and Windows Systems. These allow us to detect and prevent new threats and minimise cyber risks.

Commencing in FY2019, System Crash exercises will be initiated to test the effectiveness of back up and information recovery procedures. We also plan for general IT environment controls audit by independent consultants. In FY2018, there has been no substantiated complaints concerning breaches of customer privacy and loss of customer data at all our hotels.

2. Ensuring Fair Employment Practices

1. Profile of our Workforce

With the inclusion of HGC Townsville, we have restated our figures in 2017 for a like-for-like comparison. Our workforce has remained relatively stable, with a slight increase from 804 to 812 employees in FY2018. The percentage of female increased from over 50% to 55% of the workforce this year which reflects our efforts in achieving fair employment practices and promoting gender diversity.

FIGURE 4: BREAKDOWN OF EMPLOYEES BY GENDER

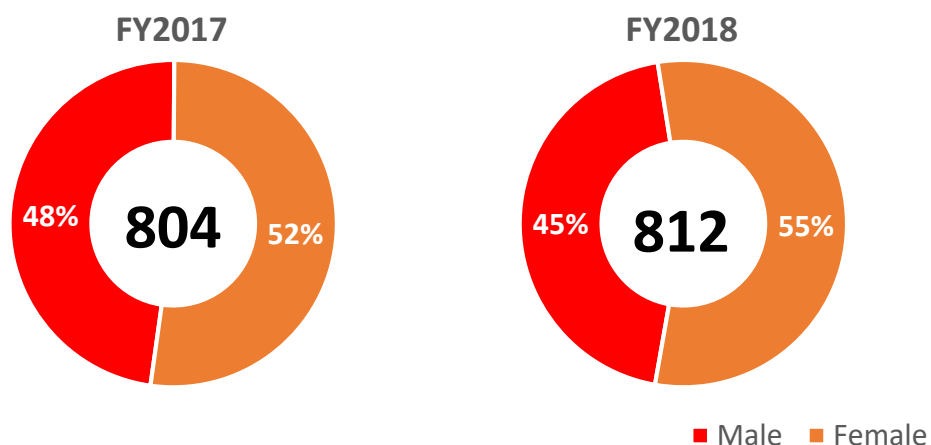


FIGURE 5: BREAKDOWN OF EMPLOYEES BY REGION

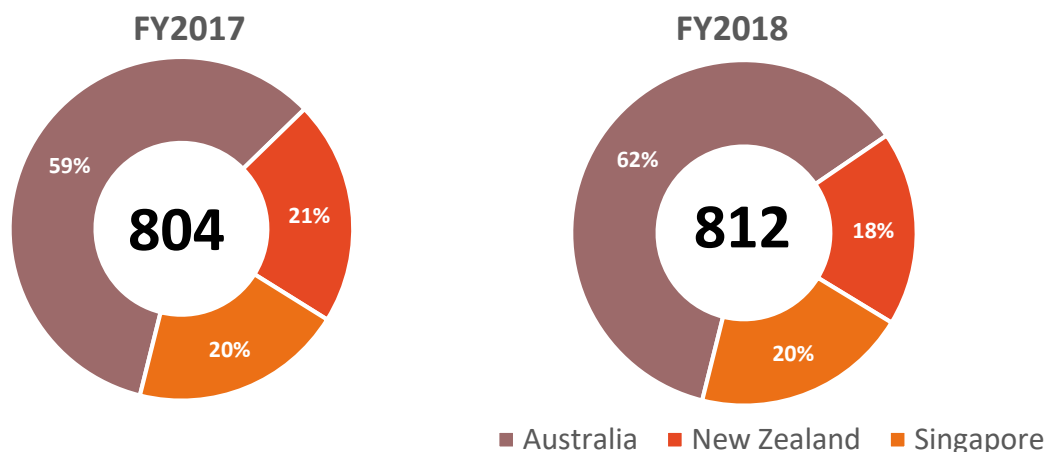
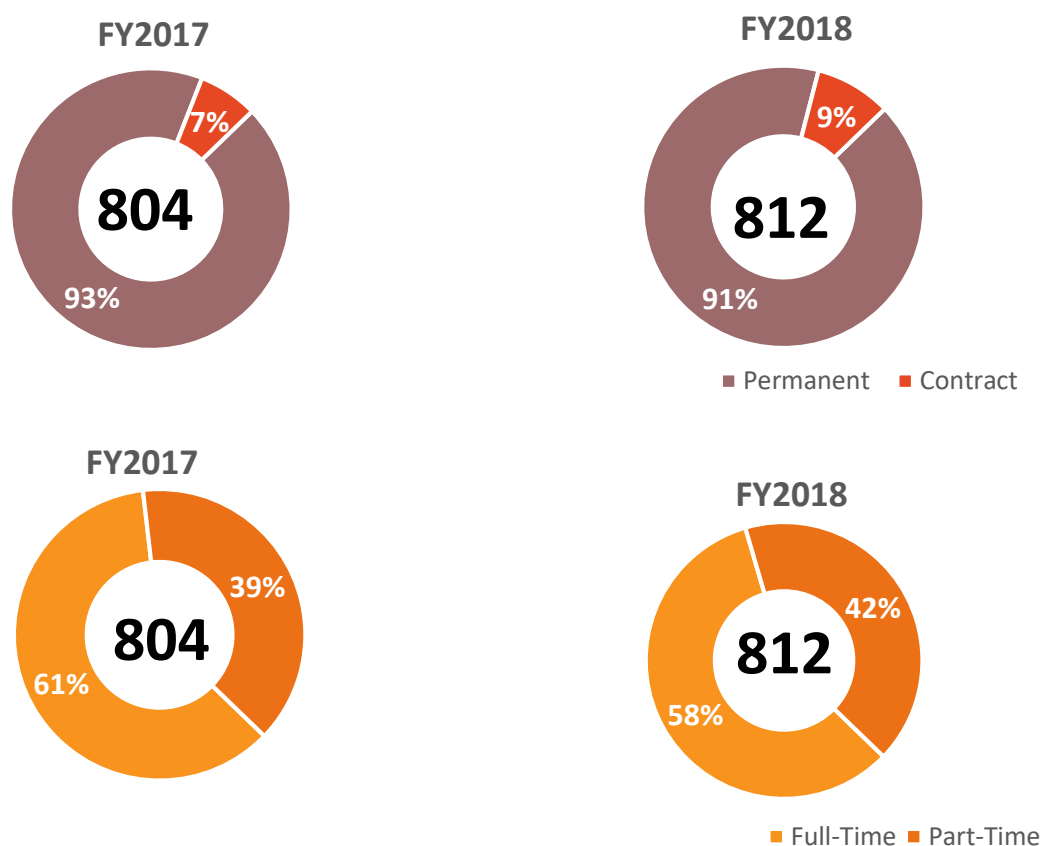


TABLE 4: BREAKDOWN OF EMPLOYEES BY EMPLOYMENT CONTRACT AND EMPLOYMENT TYPE

By Employment Contract				
Region	FY2017		FY2018	
	Permanent	Temporary	Permanent	Temporary
Australia	444	29	454	46
New Zealand ¹	164	6	144	4
Singapore	141	20	143	21

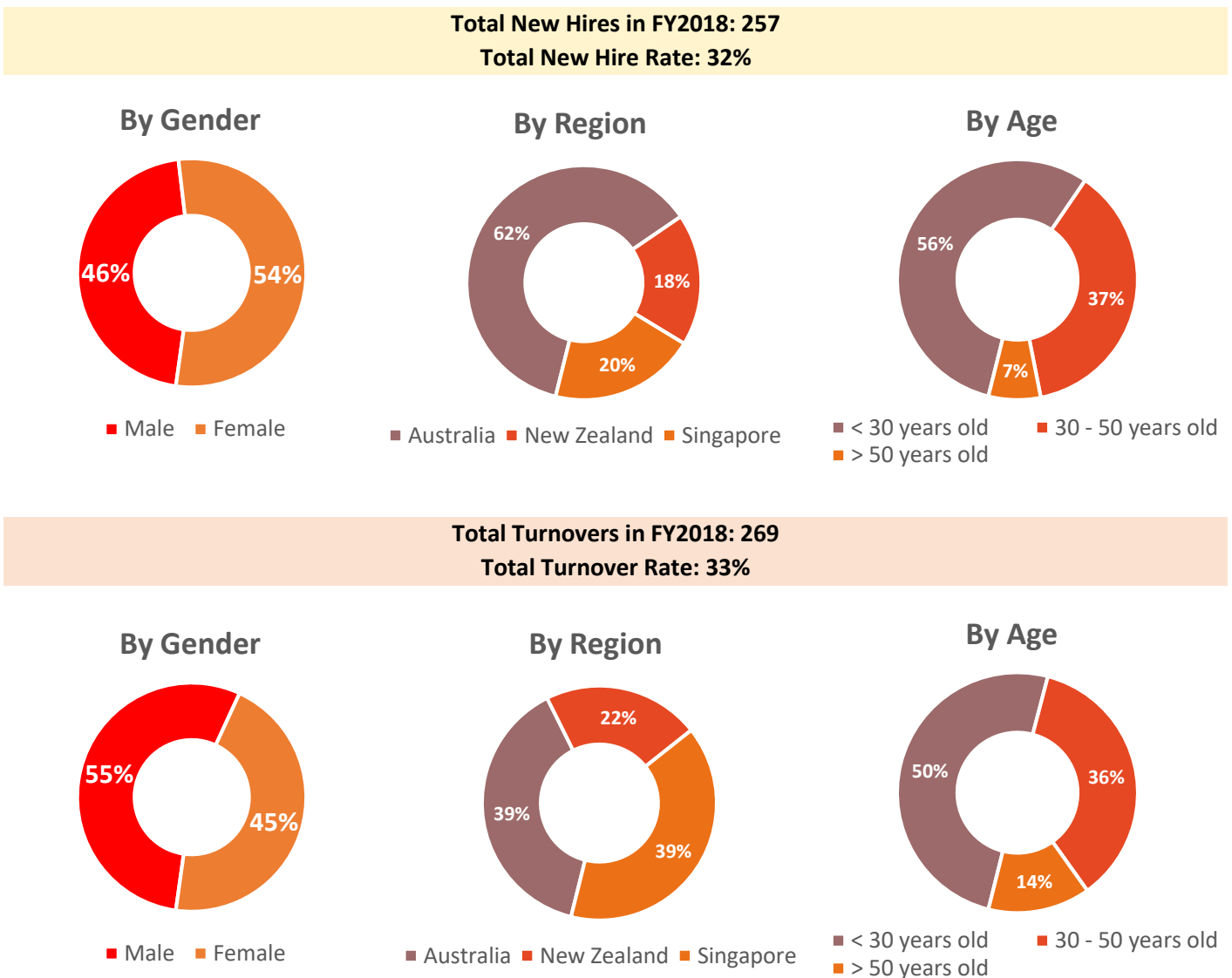
By Employment Type				
Region	FY2017		FY2018	
	Full-time	Part-time	Full-time	Part-time
Australia	260	213	258	242
New Zealand	89	81	72	76
Singapore	141	20	143	21

We aim to provide stable employment for our people. In FY2018, 91% of our employees are employed on a permanent contract. 60% of our employees work full-time. 40% of part-timers mostly are contract staff who join our hotels on an ad-hoc basis for events. These are F&B attendants engaged during large-scale events, like banquets, conferences or restaurant service. In New Zealand, part-time employees also include students from Pacific International Hotel Management School who are on their industry placement program.

FIGURE 6: BREAKDOWN OF EMPLOYEES BY EMPLOYMENT CONTRACT AND EMPLOYMENT TYPE


¹ New Zealand's data has been corrected to reflect the correct breakdown by contract type.

FIGURE 6: FY2018 NEW HIRE AND TURNOVER RATE



Note: Total new hire and total turnover rate is calculated as a percentage of staff on payroll as of 31 December 2018.

In FY2018, total turnover rate was recorded at 33%. Across the region, Australia and New Zealand accounts for highest turnover rate at 39% as compared to Singapore at 22%. Banquets and large-scale conferences are only held at hotels in Australia and New Zealand. Due to the seasonality of such events, temporary employees will then be hired to meet manpower demands, especially in the banqueting department. This employment model best suits the hotels' operations as it allows for staffing flexibility. In addition, temporary employees are mostly made up of tourists and university students who take on ad-hoc jobs as a source of income. Subsequently, they leave our hotels when visas expire and when students graduate, moving to a permanent position elsewhere. This pool of temporary employees is mostly below the age of 30 which corresponds to the 50% turnover rate when broken down by age.

In Singapore hotels, a 22% turnover rate is due to the tight labour market for the hospitality industry. Many hotel positions such as room attendants, F&B service staff and kitchen staff are filled by foreign labour on a two-year contract. Hence, turnover rates would be greatly affected when their contract ends.

2. Employment Practices and Benefits

Human capital is our greatest asset. We value our employees and acknowledge that every individual plays a critical role towards the continued success of HGC. We strive to provide a safe and conducive environment, opportunities for growth, and adequate channels to voice their concerns.

TABLE 5: GROUP POLICY ON EMPLOYMENT PRACTICES AND BENEFITS

<i>Workplace Diversity and Harassment Policy (applicable to all hotels)</i>
• Includes strict guidelines on prevention of workplace harassment, discrimination and bullying • Covers procedures for complaints and feedback through formal and informal resolution processes • All employees are required to sign off and abide to all provisions set out in the policy.

HGC believes in enabling employees to develop to the full extent of their capabilities. Through a two-pronged approach, we strive towards improving employees' skills and competencies. In addition, we recognise potential and offer professional development opportunities within the Company. Outstanding employees will be recognised and rewarded for their contribution, commitment and service to our hotels.

FIGURE 7: HGC'S APPROACH TOWARDS TRAINING AND PERFORMANCE REVIEWS

 Education, Training and Coaching	 Performance Management
• Employees follow structured induction program which covers formal orientation workshop, on-the-job training and time with managers to discuss on job scope and expectations. • Specific training sessions on areas such as Occupational Health, Safety and Welfare and Discrimination and Harassment	• Performance appraisals are held at the end of probationary period and annually thereafter. • Managers will discuss general performance, strengths and areas for improvements. • Employees are encouraged to actively partake in discussion on personal reviews, development goals and job concerns.

We further our commitment to equal opportunity for all by ensuring that each one of our employees has equal access to employment, training and promotion benefits while working with us regardless of race, colour, religion, age, gender, sexual preference, disability or other matters unrelated to work performance. HGC provides a comprehensive list of employment benefits for full-time employees ranging from healthcare, parental leave, long term service benefits to retirement provisions. For more details, please refer to Table 4 of HGC SR2017.

3. Providing a healthy and safe environment for all

Creating a healthy and safe environment is our commitment to both our guests and our employees. To do so, HGC management ensures robust health and safety management safety is established and maintained at each hotel. The system is designed in accordance to best practices and in compliance to all relevant laws and regulations. In FY2018, we have not identified any non-compliance with regulations and voluntary codes related to health and safety.

Australia and New Zealand

The local Health and Safety Committee maintains oversight on health and safety management system. The Committee which comprises senior management, employee representatives from each operational department, WHS Officers, and Human Resources (“HR”) Personnel are also responsible for promoting a positive safety culture among colleagues and employees.

A formalised incident reporting channel is administered across all hotels. This provides employees with an avenue to raise concerns or report potential risks to health and safety at work. The Committee meets monthly to review risk assessments and injury incident reports, near miss and other safety concerns raised. At these meetings, follow-up plans will be discussed, and corrective actions carried out as required.

TABLE 6: POLICIES AND PRACTICES ON WORKPLACE HEALTH AND SAFETY

<i>Occupational Health and Safety Policy</i>	<i>First Aid Policy and Procedure</i>	<i>Drugs and Alcohol in the Workplace Policy</i>
- Defines health and safety responsibilities for managers, supervisors and employees - Aims to minimise risk of injury and diseases to all through adopting a planned and systematic approach to manage health and safety	- Outlines procedures for first aid management in case of an injury - Mandatory submission of Incident Report Form within 24 hours of first aid treatment	Applies to whole premises and all employees, contractors, consultants and visitors to take reasonable care to protect their own safety and that of others whilst on the premises
Practices		
- Undertake health and safety risk assessments associated with various tasks - Regular engagement with employees on safety practices - Mandatory induction training (first aid, emergency preparedness /evacuation, chemical handling, safe disposal of rubbish/sharps) and ad-hoc training (sudden outbreak of disease and terrorist incident) - Department training on skillset specific to scope of work including manual handling and safe work method statements (“SWMS”) - Enforce usage of Personal Protective Equipment (“PPE”) - Installation of Lone Worker Device (duress alarms) (Australia) - Ensure compliance to certification requirements such as first aid, chemical handling and pool management - Rehabilitation support and arrangement of suitable duties to employees who have sustained injuries at work		

Case Study: When enough is enough

At HGC Adelaide, a new in-house training workshop – ‘Navigating when enough is enough’ was introduced in FY2018. The objective of the workshop was to share experiences regarding tricky or difficult situations which employees may find themselves in. It was targeted at employees such as Duty Managers / Night Managers / Night Auditors or others who either work alone or have end-responsibility and are decision makers.

Annual routine audits are conducted internally by Committee members and by external parties to assess and evaluate safety and hotel emergency response procedures. During the internal audit, incidents and their corrective actions were reviewed to ensure that the root cause has been adequately addressed to prevent reoccurrences. Any changes made to the SOPs will be communicated to relevant staff in a timely manner and appropriate training will be arranged.

Case Study: Inculcating a culture of Health, Safety and Wellness at HGC Adelaide

WORKPLACE SAFETY ISSUE

THIS MONTH'S FOCUS

HEAT MANAGEMENT



Summer is upon us, and here in South Australia it can get very hot. There are numerous methods of heat management, which has two main components:

SUNBURN AND DEHYDRATION

Make sure you are aware of temperature forecasts and schedule outdoor works to avoid the worst of the heat, which is generally mid-afternoon.

Be sun smart:

- Wear sun protection suitable for the task being performed;
- Wear wide brim hats to protect your face, ears and neck;
- Use sunscreen on any exposed skin and don't forget you can also get sunburnt from reflected sunlight;
- Wear tinted glasses to reduce glare and eye strain;
- Take regular short breaks and drink plenty of water to remain hydrated. By the time you feel thirsty dehydration has already started...;
- Cover up as much as possible: wear long sleeves to protect your arms and trousers to protect your legs

In September 2018, HGC Adelaide launched the first edition of their monthly Workplace Health & Safety newsletter focusing on topics regarding employee welfare, safety and health. Every month, different WHS topics will be updated to reflect a specific focus of the month or to inform employees on certain news. The newsletter also shares news and tips to improve employees' wellbeing and lifestyle. There is also a segment which celebrates employees' birthdays and recognises employees for their length of service at HGC Adelaide.

HEALTHY PRACTICES

THIS MONTH'S TOPIC

PLAN AND PRIORITISE

For some of you a new year might start with new years' resolutions. These are usually intentions meant to make your life a (little) bit 'better'. For some of you these resolutions aren't necessarily made at the start of the year, but can be made anytime.

Taking the time to set goals and work out a way to achieve those goals can be very efficient. If you consciously work towards something, plan ahead and focus, you can achieve almost anything.

Set priorities: think about what is important to you and what you value. Create action steps towards your goal and ask for help if needed. Work out a timeline, and concrete ways in which you want to measure your success.

And don't forget to celebrate your progress!

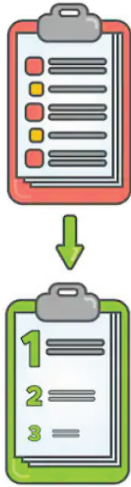


IMAGE 1: JANUARY 2019'S FOCUS ON HEAT MANAGEMENT AND HEALTHY PRACTICES SHARED IN NEWSLETTER

Singapore

In Singapore, our Workplace Health and Safety Committees partner with key staff members to undertake risk assessments to manage risks to health and safety associated with the work activities and tasks carried out by employees in our hotel. Subsequently, the necessary controls will be developed for each identified safety hazard. This process is reviewed every three years to ensure that our activities are compliant with the Workplace Safety and Health ("WSH") Act enforced by the Ministry of Manpower ("MOM"). We have an Internal Fire Safety Committee comprising trained fire wardens and fire fighters working together with our Company Emergency Response Team (CERT). In light of regulatory updates and changes, committee members proactively take actions to update existing procedures to ensure the hotel's remained compliance.

Our stakeholders—employees, contractors, guests and visitors—have complete access to our whistleblowing channels managed by the Executive Director for any concerns over health and safety.

Practices

- Routine checks on health and safety facilities conducted twice a month
- Activity-specific risk assessments are carried out once every three years to ensure that all potential hazards are recorded and managed
- Mandatory training for internal fire safety committee on first aid and emergency response
- Fire drills conducted twice a year for hotel guests and employees
- Maintain appropriate fire certificates

Performance

As with FY2017, we are pleased to announce that there were zero fatalities and occupational diseases across all three regions in FY2018.

Due to more large-scale events and banquets, our hotels in Australia and New Zealand generally record higher injury and lost day rates in comparison to Singapore hotels where events are limited to breakfast service and conferences. At those events, employees are potentially exposed to health and safety risks like cuts, burns, sprains, trips and falls. At each hotel, local WHS committees conduct monthly meetings to review and investigate any incidents so that corrective and mitigating actions can be done. Where necessary, risk assessments will be conducted regularly to mitigate hazards and employees are reminded to exercise caution when carrying out their tasks.

In Australia, there were three incidents at HGC Hobart where two employees sustained injuries from slip and trips and one staff suffered a back injury while on housekeeping duties. The three employees required a longer recovery time which contributed to higher lost day count in FY2018. Since the incidents, the respective hotels have taken appropriate follow-up actions to remind employees to be alert while walking across slippery surfaces or going about their daily duties. Housekeeping employees are also reminded on safe work practices and manual handling training has been conducted regularly.

In New Zealand, an increase was also recorded for injury frequency rate and lost day rate in FY2018. Injuries are usually sustained from kitchen duties (resulting in cuts, burns and bruises) or housekeeping duties (resulting in sprains or strains). Corrective actions have been implemented to ensure that kitchen staff are reminded of safe work practices. Tasks are demonstrated, and safety manuals are provided to ensure procedures are followed. Housekeeping staff are trained to exercise extra caution when moving heavy or fragile items and to use the correct chemicals to prevent slips and falls. First-Aid kits have been strategically placed within the premises to enable immediate treatment of minor injuries.

In Singapore, we have maintained zero cases of workplace injuries for three consecutive years now – FY2016, FY2017, FY2018 – a record which we aim to keep in the years to come.

FIGURE 8: SAFETY PERFORMANCE STATISTICS FOR OUR HOTELS IN AUSTRALIA², NEW ZEALAND AND SINGAPORE

	FY2017			FY2018		
	Male	Female	Total	Male	Female	Total
Injury Frequency Rate³						
Australia	13	20	17	3	23	15
New Zealand	185	123	154	291	97	191
Singapore	0	0	0	0	0	0
Lost Day Rate⁴						
Australia	81	258	179	24	316	210
New Zealand	260	203	231	337	309	323
Singapore	0	0	0	0	0	0
Absentee Rate⁵						
Australia	0.79%	0.83%	0.81%	1.12%	0.64%	0.82%
New Zealand	1.59%	1.81%	1.70%	2.71%	2.09%	2.39%
Singapore ⁶		0.79%		0.35%	0.30%	0.33%

4. Managing the Use of Our Natural Resources

Our environment policy highlights the commitment in meeting our environmental and social responsibilities. We continue to take a proactive approach to reduce the environmental impact from our business operations with various initiatives in waste reduction and energy efficiency improvement.

1. Energy Consumption and GHG Emissions

FIGURE 9: VARIOUS ENERGY-EFFICIENT AND POWER REDUCTION INITIATIVES ACROSS REGIONS

Practices	
 Australia	
Energy Efficiency Initiatives	
- Replacement and upgrade of existing equipment to higher energy efficiency or star-rated equivalent upon end of life - light emitting diode ("LED") lights - Hot water tanks and units - Replacement and upgrading of components in chiller and cooling towers	- Installation of motion-activated sensors at back of house areas - Use of variable-frequency drive pumps to reduce energy required to circulate water - Use of motion-detecting thermostats and timers to operate HVAC systems - Shut down of air-conditioning units in large function and accommodation rooms during low season subject to occupancy

² With the inclusion of HGC Townsville, safety performance statistics for Australia has been restated to allow for like-for-like comparison between both years.

³ Based on International Labor Organization (ILO) Standard, Injury Frequency Rate is calculated as the total number of fatal and non-fatal workplace injuries over 1,000,000 hours multiplied by the total number of manhours worked in the reference group during the reporting period. First aid injury is excluded in the calculation.

⁴ Based on ILO Standard, Lost Day Rate is calculated as the total number of man days lost to workplace accidents over 1,000,000 hours multiplied by total number of manhours worked in the reference group during the reporting period.

⁵ Absentee Rate is the total absentee days lost, relative to the total days scheduled to be worked by the employees in the reporting period, expressed as a percentage.

⁶ Gender breakdown is unavailable for Singapore hotels in FY2017.

- Building Management System (BMS) recommissioning for more accurate control over building's cooling - Regular maintenance of plant and equipment to ensure operations are kept at optimum efficiencies	Reduce unnecessary lighting within hotel rooms
Performance monitoring	Training and Awareness
Benchmark electricity consumption per room against similar-sized hotels and other HGC hotels	Mandatory induction training for new employees on environmental policy and energy saving habits during the course of work

 New Zealand	
Energy Efficiency Initiatives	Training and Awareness
- Ongoing replacement of traditional light bulbs with LED - Replacement and upgrade of aged hotel equipment ranging from kitchen equipment, lifts, compressor and coolers	Encourage guests to opt for 'Green Room Service' which leads to an overall conservation of resources in terms of less frequent room refresh services and replacement of towels

 Singapore	
- As part of our commitment towards sustainable infrastructure, all our buildings have received green mark certification in recognition for their environmentally friendly design and construction. The building design allows for the usage of natural ventilation wherever possible. - Reduced air-conditioning temperatures when guests are not around. - Emphasising energy-saving habits such as switching off computers when not in use and limiting the use of other electronic appliances. - Placing hot and cold drinking water dispensers in all rooms. These units consume less electricity as compared to the use of a traditional kettle.	

Fuel Consumption

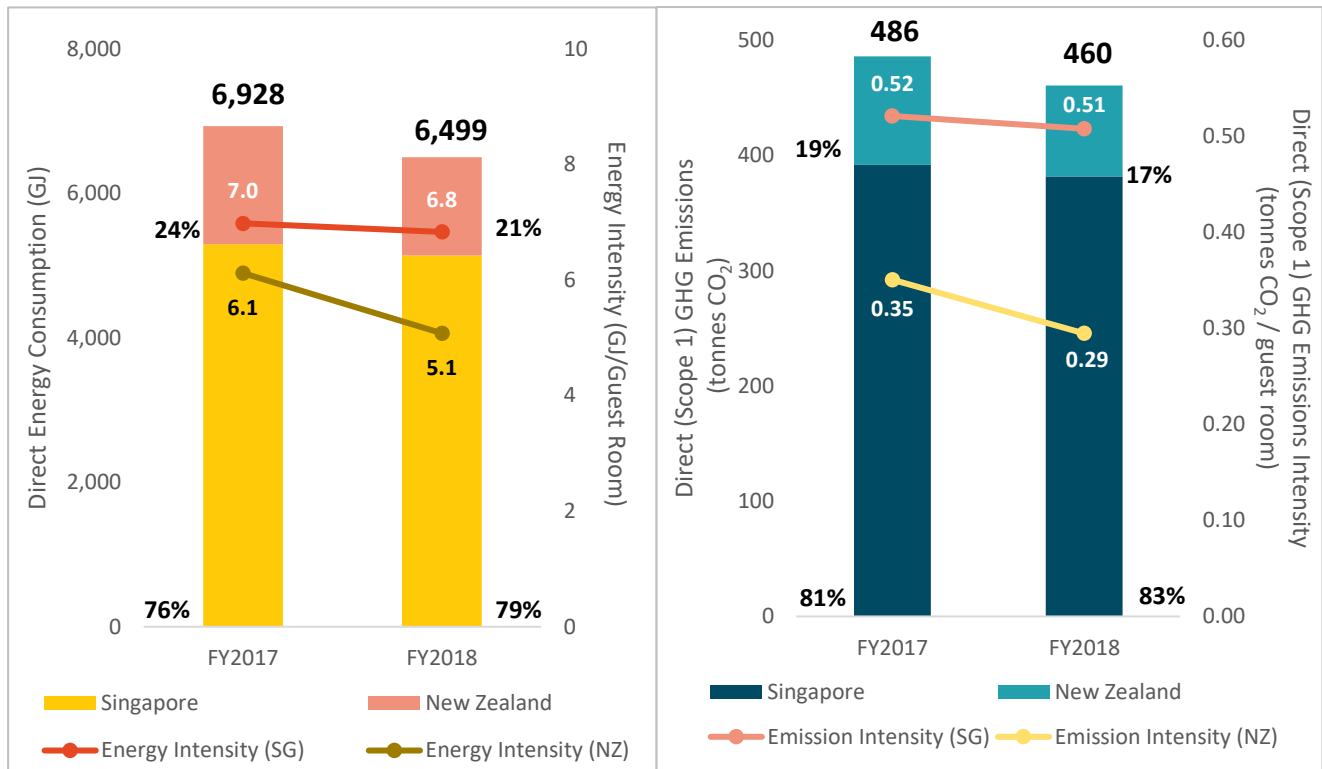
In FY2018, fuel consumption only happens in two Singapore hotels and JCHGC in New Zealand. They are attributed to the diesel oil used at two Singapore hotels for standby electrical generators, and natural gas used in the kitchen and motor gasoline used by vehicles⁷ owned by JCHGC in New Zealand. Our three hotels in Australia did not consume any fuel.

In FY2018, we recorded a total of 6,499 GJ of direct energy consumed in Singapore and New Zealand, translating to 460 tonnes of carbon dioxide ("CO₂")⁸ emission. A corresponding decrease in both energy intensity and Scope 1 GHG Emissions Intensity (per guest room) is reflected in Figure 9 below.

⁷ The cars are provided for senior executives (General Manager and Sales Director) at the hotels.

⁸ Emissions disclosed here are Scope 1 GHG emissions which come from sources that are owned or controlled by Hotel Grand Central. This relates to diesel oil, natural gas and motor gasoline and is expressed in tonnes of CO₂. For New Zealand, emission factor is obtained from the "Guidance for Voluntary Corporate Greenhouse Gas Reporting – 2016", published by the Ministry for the Environment, New Zealand. For Singapore, emission factors were adopted from IPCC Emission Factor Database 2006.

FIGURE 10: DIRECT ENERGY CONSUMPTION⁹ & INTENSITY (LEFT) AND DIRECT (SCOPE 1) GHG EMISSIONS¹⁰ & INTENSITY (RIGHT)



Electricity Consumption

Although HGC saw an increase in higher occupancy rates in FY2018, our electricity consumption¹¹ has remained relatively constant. A total of 21,418 MWh of electrical energy was consumed in FY2018, translating to 8,478 tonnes of carbon dioxide (“CO₂”) emissions.¹² Moving forward, HGC endeavours to explore and adopt more energy-efficient initiatives to improve its energy intensity and lower GHG emissions across all three regions.

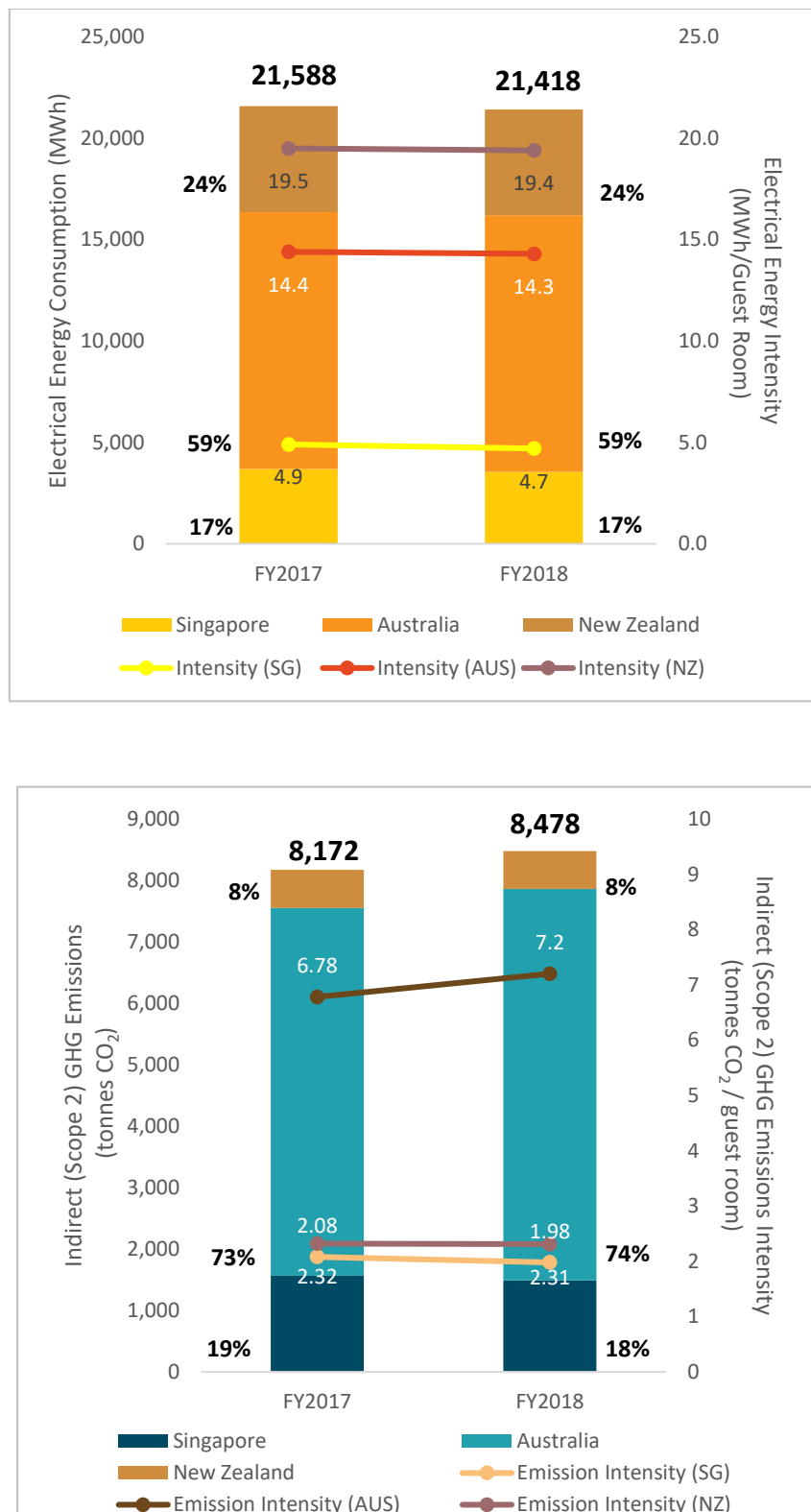
⁹ FY2017 direct energy consumption have been restated to reflect the accurate consumption levels.

¹⁰ FY2017 Scope 1 GHG emissions have been restated to utilise country specific emission factors in New Zealand.

¹¹ Scope 2 GHG emission is emission from the generation of electricity consumed by the organisation. In Singapore, grid emission factor is obtained from “2018 Singapore Energy Statistics”, published by the Energy Market Authority of Singapore. In Australia, the local grid emission factors of South Australia, Tasmania and Queensland are used. Data is obtained from the “Australian National Greenhouse Accounts Factors”, published by the Department of the Environment and Energy of Australia in 2018. In New Zealand, grid emission factor is obtained from the “Guidance for Voluntary Corporate Greenhouse Gas Reporting – 2016”, published by the Ministry for the Environment, New Zealand.

¹² Due to an update in Australia’s grid emission factors, we recorded an increase in GHG emissions even though total electrical consumption decreased.

FIGURE 11: ELECTRICAL ENERGY CONSUMPTION¹³ & INTENSITY (TOP) AND INDIRECT (SCOPE 2) GHG EMISSIONS & INTENSITY (BOTTOM)



¹³ Electrical energy consumption and Scope 2 GHG Emissions have been restated for FY2017 to include data for FY2017 HGC Townsville, showing a like-for-like comparison. In addition, purchased energy for heating, cooling and steam used in Australia and New Zealand has been included in this set of data above as well.

2. Water Consumption Management

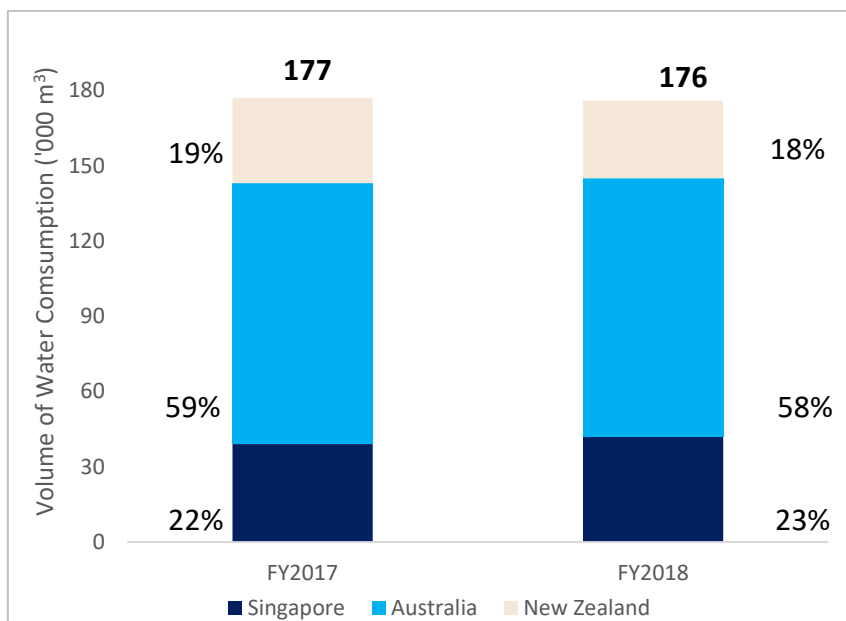
Practices	
 Australia	
Water-saving initiatives	Monitoring and Review
- Installation of equipment with water saving features - Low flow showerheads - Dual flush and motion sensors in common toilets - Water flow restrictors and aerators to reduce flow rates - Use of water-efficient dishwashing machines and pressure cleaners - Regular maintenance of equipment including pool, chillers and cooling towers	Weekly meter readings to monitor water consumption and detect leaks or irregularities
Training and Awareness	
- Increase awareness amongst guests - Green Cleaning Policy where guests can choose not to have their rooms serviced on a daily basis - Encourage guests to hang towels dry instead of replacing daily - Induction Program where new employees familiarise themselves with the Environmental Policy	
 New Zealand	
Water-saving initiatives	Training and Awareness
- Installation of equipment with water saving features - Low flow showerheads - Dual flush toilets in guest rooms	On-the-job training provided for Kitchen and Housekeeping staff on minimising water usage
Benchmarking	
- Aim for Earthcheck Best Practice of 214 litres/guest night - Actual consumption is at 284 litres/guest night as compared to baseline of 305 litres/guest night	
 Singapore	
Water-saving initiatives	Monitoring and Review
- As part of Green Mark certification, all bathroom fittings and cisterns installed are at minimum least WELS¹⁴-certified two-tick rating to ensure optimal water use efficiency - Use of non-potable water only for landscaping in our hotels	- Use of internal monitoring system to detect and prevent leaks in the building - Monthly review of utility bills and inspections on premises

Throughout our operations, water used by our hotels is withdrawn from municipal water sources. It is used for daily hotel operations, which includes cooking, cleaning, maintenance and use in hotel equipment. Due to the conscious efforts of respective hotels, water consumption has decreased slightly from 177,139 m³ in FY2017 to 176,000 m³ in

¹⁴ The Water Efficiency Labelling Scheme (WELS) is a mandatory scheme introduced by the Public Utilities Board (PUB) to inform consumers to promote the use of water efficient system. More information on WELS can be obtained from https://www.pub.gov.sg/Documents/WELS_Brochure_English.pdf

FY2018 notwithstanding an increase in room occupancy in Australia. We look towards sensible use of water resources and maintain this downward trend.

FIGURE 12: WATER CONSUMPTION¹⁵ BY OPERATING COUNTRIES



Case Study: From Room Service to Green Service

Across our Australian and New Zealand hotels, guests have the option to opt for a “Green Service” which means that replacement of towels, linens and bed sheets will be done only upon request. With the introduction of this initiative, this reduces water consumption as well as cleaning agents used. Currently, JCHGC who request for this service would be presented with a token of appreciation for their support – dining vouchers for use at Whitby’s Restaurant and Bar.



¹⁵ Water consumption has been restated for FY2017 to include data for HGC Townsville, showing a like-for-like comparison.

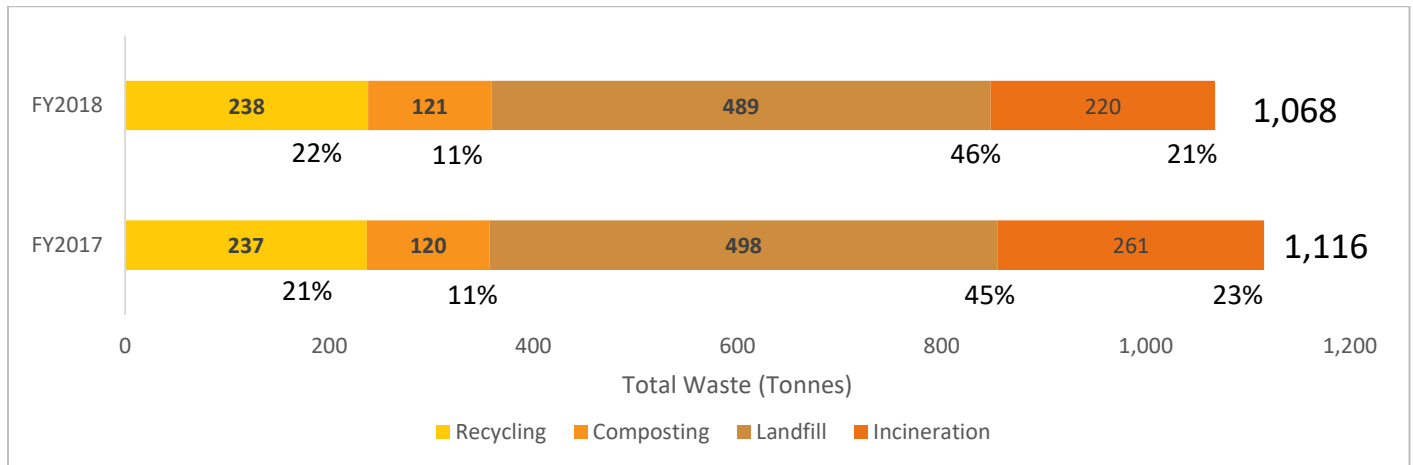
3. Waste Management

Waste generation is one of the top concerns in the hospitality industry. Across our hotels, respective management teams continuously seek innovative ways to combat this issue and find solutions to reduce, reuse and recycle waste generated. Waste disposal across all hotels is done through third-party contractors. All wastes are non-hazardous wastes; comprising of general waste and grease traps. The hotels also have system in place to collect recyclables such as cardboard, paper, plastic and glass.

Practices	
 Australia	
Waste management initiative	Training and Awareness
• Routine checks on waste bins for proper waste segregation to limit costly collection of general waste bins by contractors to three times a week • Proper disposal of organic waste by third-party contractors • On-site conversion of food waste to fertiliser through Pulpmaster food waste recycling system • Recycling of cooking oil instead of direct disposal • Reduction in use of single-use containers for conferences and functions • Recycling of all paper and cardboard products	• Training of all employees with potential to encounter contaminated waste on correct handling and disposal
 New Zealand	
Waste management initiative	Training and Awareness
• Regular inspections to ensure waste management practices are implemented and executed	• Have dedicated hotel Green Team working with hotel staff for wider waste minimisation awareness
Benchmarking	
• Benchmark against Earthcheck waste generation baseline of 1.52 kg/guest night • Actual consumption is recorded at 0.71kg/guest night, 53% lower than baseline	
 Singapore	
Waste management initiative	
• Reduce single-use plastic through installation of water and soap dispenser systems installed in hotel rooms • Where possible, paper waste generated from day to day activities is recycled by an external contractor • Waste generated from coffee is donated to a local organic farm for the purpose of reuse as compost	

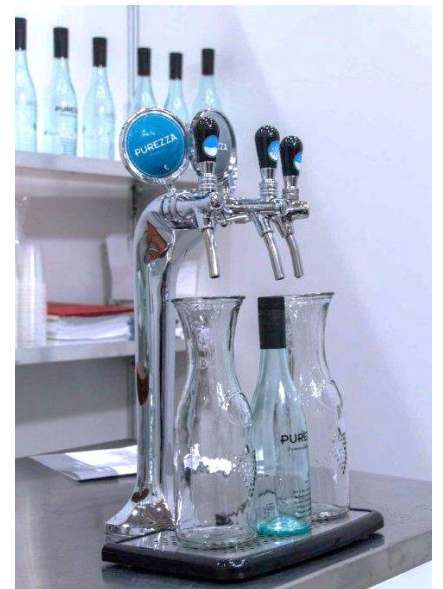
In FY2018, HGC recorded a 4% decrease in waste generated. Although we experienced increase in occupancy rates, waste generation level has been kept to a minimum. More than half (54%) of waste generated is disposed of through means of recycling, composting and incineration. Moving forward, HGC remains committed towards proper waste management through exploring alternative disposal methods and lowering amount of waste diverted to landfills in Australia and New Zealand.

FIGURE 13: TOTAL WASTE GENERATED¹⁶ CATEGORISED BY DISPOSAL METHODS



Case Study: Single-use no more

To reduce single-use plastics at events, HGC Brisbane partnered with Purezza Sparkling Water System to provide a 100% reusable, sustainable solution for participants during conferences and functions. This feature is popular with eventgoers, as shown by higher than average booking rates for these functions rooms to hold events.



¹⁶ Waste generation has been restated FY2017 to include data for HGC Townsville, showing a like-for-like comparison. Additionally, HGC Adelaide and HGC Brisbane data has been restated for FY2017, reflecting accurate numbers.

5. GRI Content Index

General Standard Disclosures			
GRI Standard	Description	Section of Report and / or Explanation for Omission	Page Reference
GRI 102: General Disclosures 2016	Organisational profile		
	102-1	Name of the organisation	Corporate Profile 1
	102-2	Activities, brands, products, and services	Corporate Profile 1
	102-3	Location of headquarters	Corporate Profile 1
	102-4	Location of operations	Corporate Profile 1
	102-5	Ownership and legal form	Corporate Profile 1
	102-6	Markets served	Corporate Profile 1
	102-7	Scale of the organisation	Corporate Profile Profile of our Workforce 8-9
	102-8	Information on employees and other workers	Profile of our Workforce 8-9
	102-9	Supply chain	We aim to procure locally where possible. We procure from a list of approved suppliers and contractors which range from providing electricity and gas supplies, housekeeping (linen, bedding, towels, amenities), cleaning supplies, lift maintenance works, waste management and food supplies (including dry goods, frozen meals and vegetables). We also engage with service providers of online booking platforms, marketing and use of audio visual equipment for events.
	102-10	Significant changes to the organisation and its supply chain	In FY2018, there were no significant changes in our operations and within the supply chain.
	102-11	Precautionary Principle or Approach	Annual Report 2018 18-19
	102-12	External Initiatives	HGC James Cook participates in external initiatives including economic initiative, New Zealand Marketing Campaign Contribution governed by Wellington Regional Economic Development and participates in annual benchmarking submissions governed by EarthCheck Australia
	102-13	Membership of Associations	Our hotels hold key memberships in regions and countries they are located in. Australia <i>Adelaide:</i> Australian Hotels Association (South Australian Branch) (AHA SA), South Australian Tourism Industry Council (SATIC), Business SA – Chamber of Commerce and Industry South Australia and Adelaide West End Association <i>Brisbane and Townsville:</i> Queensland Hotels Association <i>Hobart:</i> Tourism Industry Council Tasmania (TICT), Tasmanian Hospitality Association (THA), Business Event Tasmania (BET) <i>Townsville:</i> Queensland Tourism Industry Council (QTIC), Townsville Enterprise

			New Zealand James Cook: Wellington Chamber of Commerce, Tourism Export Council New Zealand (TECNZ), EarthCheck Singapore Singapore: Singapore Hotel Association (SHA)	
	Strategy			
	102-14	Statement from senior decision-maker	Board Statement	6
	Ethics and Integrity			
	102-16	Values, principles, standards, and norms of behaviour	Business Ethics and Anti-corruption	7
	Governance			
	102-18	Governance structure	Approach to Sustainability	5
	Stakeholder Engagement			
	102-40	List of stakeholder groups	Stakeholder Engagement	3
	102-41	Collective bargaining agreements	16% of our employees are covered under collective bargaining agreements	
	102-42	Identifying and selecting stakeholders	Stakeholder Engagement	3
	102-43	Approach to stakeholder engagement	Stakeholder Engagement	3
	102-44	Key topics and concerns raised	Stakeholder Engagement	3
	Reporting Practice			
	102-45	Entities included in the consolidated financial statements	Annual Report 2018	77-82
	102-46	Defining report content and topic Boundaries	About the Report Materiality Assessment	2 5
	102-47	List of material topics	Materiality Assessment	5
	102-48	Restatements of information	Profile of our Workforce Providing a Healthy and Safe Environment for All Managing Use of our Natural Resources	8-9 14-15 15-22
	102-49	Changes in reporting	About the Report	2
	102-50	Reporting period	About the Report	2
	102-51	Date of most recent report	16 October 2018	
	102-52	Reporting cycle	Annually	
	102-53	Contact point for questions regarding the report	hltan@ghihotels.com	
	102-54	Claims of reporting in accordance with the GRI Standards	About the Report	2
	102-55	GRI content index	GRI Content Index	23-26
	102-56	External assurance	This report has not been externally assured. HGC may explore external assurance as reporting matures.	
Material Topics				
GRI Topic-specific Disclosure	Description		Section of Report and / or Explanation for Omission	Page Reference
Business Ethics and Anti-corruption				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Approach to Sustainability; Business Ethics and Anti-Corruption	6 7
	103-2	The management approach and its components	Approach to Sustainability; Business Ethics and Anti-Corruption	6 7
	103-3	Evaluation of the management approach	Business Ethics and Anti-Corruption	7
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	Business Ethics and Anti-Corruption	7

Security of Information				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Approach to Sustainability; Security of Information	6 7-8
	103-2	The management approach and its components	Approach to Sustainability; Security of Information	6 7-8
	103-3	Evaluation of the management approach	Security of Information	7-8
GRI 418: Customer Privacy 2016	205-3	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Security of Information	8
Health and Safety				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Approach to Sustainability; Providing a Healthy and Safe Environment for All	6 12-15
	103-2	The management approach and its components	Approach to Sustainability; Providing a Healthy and Safe Environment for All	6 12-15
	103-3	Evaluation of the management approach	Providing a Healthy and Safe Environment for All	12-15
GRI 403: Occupational Health and Safety 2016	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Providing a Healthy and Safe Environment for All	15
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Providing a Healthy and Safe Environment for All	12
Energy, GHG Emissions and Alternate Energy Sources				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Approach to Sustainability; Energy Consumption and GHG Emissions	6 15-18
	103-2	The management approach and its components	Approach to Sustainability; Energy Consumption and GHG Emissions	6 15-18
	103-3	Evaluation of the management approach	Energy Consumption and GHG Emissions	15-18
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Energy Consumption and GHG Emissions	16-18
	302-3	Energy Intensity	Energy Consumption and GHG Emissions	17-18
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Energy Consumption and GHG Emissions	17
	305-2	Energy indirect (Scope 2) GHG emissions	Energy Consumption and GHG Emissions	18
	305-4	GHG emissions intensity	Energy Consumption and GHG Emissions	17-18
Water Consumption Management				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Approach to Sustainability; Water Consumption Management	6 19-20
	103-2	The management approach and its components	Approach to Sustainability; Water Consumption Management	6 19-20
	103-3	Evaluation of the management approach	Water Consumption Management	19-20
GRI 303: Water 2016	303-1	Water withdrawal by source	Water Consumption Management	19-20
Waste Management				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Approach to Sustainability; Waste Management	6 21-22
	103-2	The management approach and its components	Approach to Sustainability; Waste Management	6 21-22
	103-3	Evaluation of the management approach	Waste Management	21-22

GRI 306: Effluents and Waste 2016	303-1	Waste by type and disposal method	Waste Management	22
Additional Topics				
Employment Practices				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Approach to Sustainability; Employment Practices and Benefits	6 11
	103-2	The management approach and its components	Approach to Sustainability; Employment Practices and Benefits	6 11
	103-3	Evaluation of the management approach	Employment Practices and Benefits	6 11
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Profile of our Workforce	10
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employment Practices and Benefits	11