# Pollux Properties

SUSTAINABILITY REPORT FY 2019

# Contents



This sustainability report has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor").

This sustainability report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this sustainability report including the correctness of any of the statements or opinions made or reports contained in this sustainability report.

The contact person for the Sponsor is Ms Tay Sim Yee (Telephone number: +65 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

## BOARD STATEMENT ON SUSTAINABILITY

Pollux Properties Ltd. (“Pollux”, together with its subsidiaries, the “Group”) is pleased to issue its second sustainability report for the financial year ended 31 March 2019 (“FY2019”), prepared in accordance with the Global Reporting Initiative (“GRI”) Standards and in compliance with the SGX-ST guidelines on sustainability reporting. We endeavour to consider environmental, social and governance topics as part of our core business strategy. The report seeks to present an accurate and even account of our practices and performance in our quest to be a sustainable, responsible corporate citizen.

The Board and Management remains committed to establish and maintain an effective sustainability management system, which is supported by underlying internal controls, risk management practices, clear accountability and reporting process. The Board evaluates the Economic, Environmental, Social and Governance (“ESG”) risks and opportunities relevant to the Group during the formulation of their overall business strategy, objectives and performance measurements.

The Management identifies the relevant ESG topics based on the Pollux’s business and its day-to-day operations. Management then determines the materiality of the ESG topics taking into consideration of the level of significance of impact, and influence on stakeholders’ values, and the achievement of the Group’s strategic objectives. The Board supports and approves the identification and assessment parameters of the material ESG topics.

The material ESG factors for Pollux have been identified and reviewed by Pollux’s Board of Directors and Management. The Board and Management shall continue to dedicate their efforts to maintain a high standard of sustainability governance to drive continuous and long-term growth for all its stakeholders. The Group will work towards ensuring an accurate and balanced disclosure on the sustainability practices and monitoring of our material ESG topics for continual improvement.

## FEEDBACK

We are fully committed to our stakeholders and we welcome feedback on any aspect of our sustainability policies, processes and performance. Kindly address all feedback to info@pollux.com.sg. Your feedback will be valuable to us in achieving our goals to build a sustainable and thriving business. As an attempt to promote environmental conservation, there will be no hard copies of this report.

## ABOUT THE GROUP

**Corporate Profile**

Pollux Properties Ltd. ("Pollux" or the "Company", together with its subsidiaries, the "Group") is a property developer in Singapore with an exclusive focus on the development of residential and commercial properties. The Group actively engages in the business of developing premium real estate projects, with the key aim of creating homes reflecting the philosophy of lavish and modern living. Pollux develops high-end real estate projects with distinguished style and luxurious quality. We are committed to develop iconic residential as well as commercial properties. Pollux looks forward to embarking on many more projects that will give the Group a greater presence in the property market both as a developer and investor.

**Our Commitments:**

- The pursuit of excellence and perfection are embedded into everything we do.
- We build the future through confidence and trust.
- We build lasting impressions, long-term value and peace of mind.
- We build excellence and perfection through our people.

**Our Vision:**

To be a premier multi-national corporation creating iconic luxury property developments in the region.

**Our Mission:**

To create innovative landmark developments of perennial value to the community and achieving sustainable higher returns to our shareholders.

**Corporate Philosophy**

Excellence in crafting great homes and plush communities starts by working with leading interior designers and suppliers of the best home fittings.

Relationships built on integrity and trust are important to us because we believe in building homes, not just apartments.

Refined luxury to us means tasteful finishing and intricate pairings. Simply put, we are making it a point to fuss over every detail even when you are not.

Passion for details sets Pollux apart. We are constantly in the search of the best materials befitting your dream home. We want to make moving in a pleasure and living as leisurely as possible. That's why we call it home, it's the way living is meant to be.

POLLUX PROPERTIES

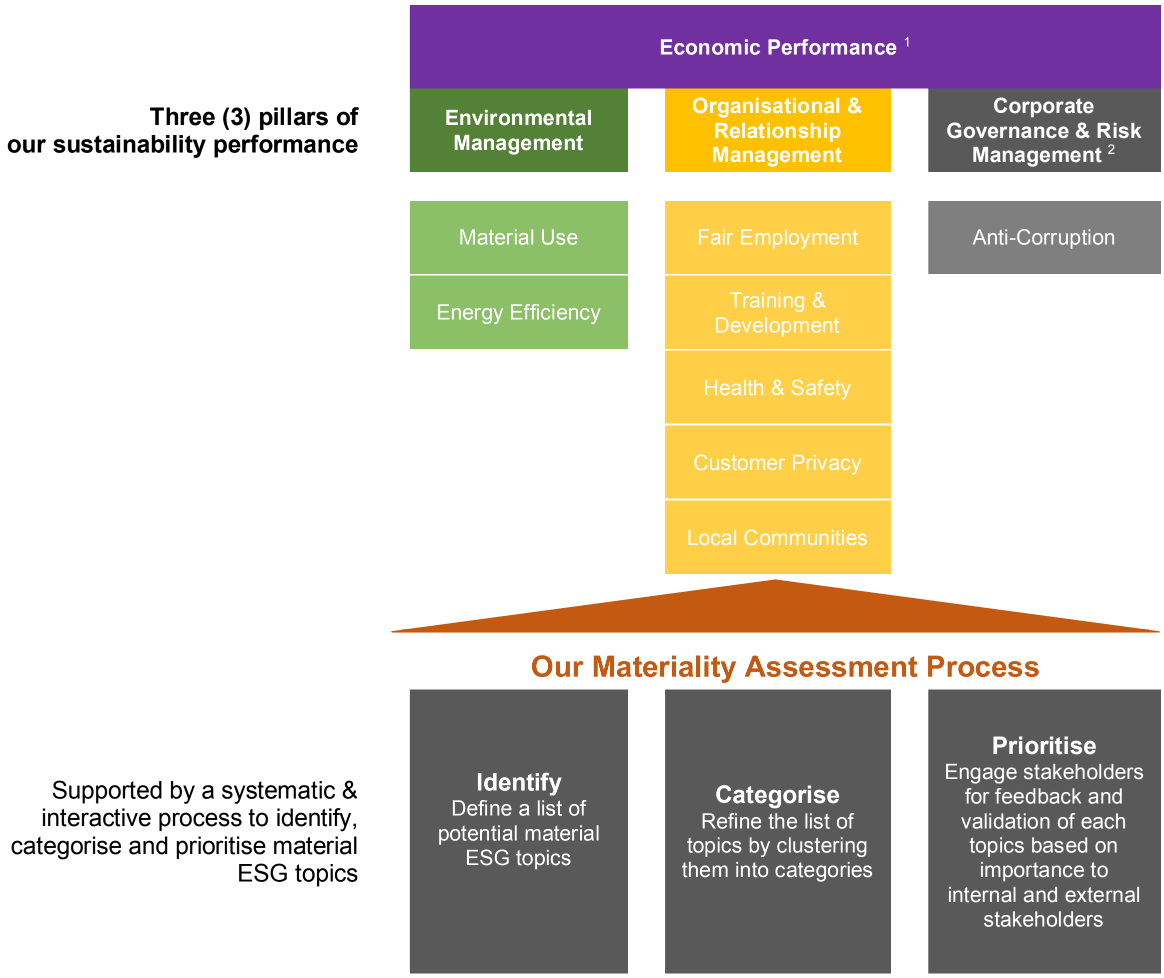
## STRATEGIC APPROACH FOR SUSTAINABILITY

The Group believes that sustainability should be at the start of every venture and not its end. Pollux works with a clear end in mind. That means sharing our vision of great dwelling places and plush communities with our customers, a robust business for our investors and a responsibility to share our success with the community.

In FY 2019, apart from achieving desired economic performance, we have with the help of an independent external consultant established a sustainability performance management framework (Refer to Exhibit 1) to review and monitor our sustainability practices and performance.

Under this framework, we have defined key pillars and non-financial topics that are material to the sustainability of our economic performance and business operations.

**Exhibit 1. Pollux Group's Sustainability Performance Management Framework**




Notes:

1. Please refer to Financial Statement of the annual report.
2. Please refer to the Corporate Governance section of the annual report.

## REPORTING PRACTICE AND BOUNDARY

This report summarises our approach, practices, commitment, and performance of the Group's material ESG topics for FY2019. The scope of this report focuses on the Group's operations in Singapore.

This report was prepared in accordance with the Global Reporting Initiative (GRI) Standards – "Core" reporting requirements. The GRI Standards is the most widely used and internationally accepted sustainability reporting framework. A GRI Index at the end of the report specifies the location of the relevant disclosures.

The ESG performance data presented in the report have mainly been extracted from internal information systems and original records to ensure accuracy. The Group has not sought external assurance for this sustainability report but have relied on internal verification to ensure the accuracy of data.

## STAKEHOLDER ENGAGEMENT

The Group recognises that knowing and understanding the demands and concerns of stakeholders is key to sustainable growth. Through internal discussion and review with the independent consultants, the Management has identified four (4) key stakeholder groups across the Group's value chain. These are stakeholders defined as having the most influence over and the highest level of interest in the Company's operations as set out in Exhibit 2.

**Exhibit 2. Key Stakeholder Groups**

| Employees | Customers | Shareholders and Investors |
|---|---|---|
| Engagement with employees is conducted regularly to measure satisfaction level, gather feedback as well as discuss business strategy and organisational changes. | Customer satisfaction is one of the Key Performance Indicators (KPI) for all our businesses. Engagement with customers allows us to receive timely, valuable feedback to improve our service standards. | We strive to maximise shareholder returns, maintain good corporate governance, and improve levels of transparency through financial and sustainability reporting and timely communication. |

**List of Memberships of Association and External Initiative**

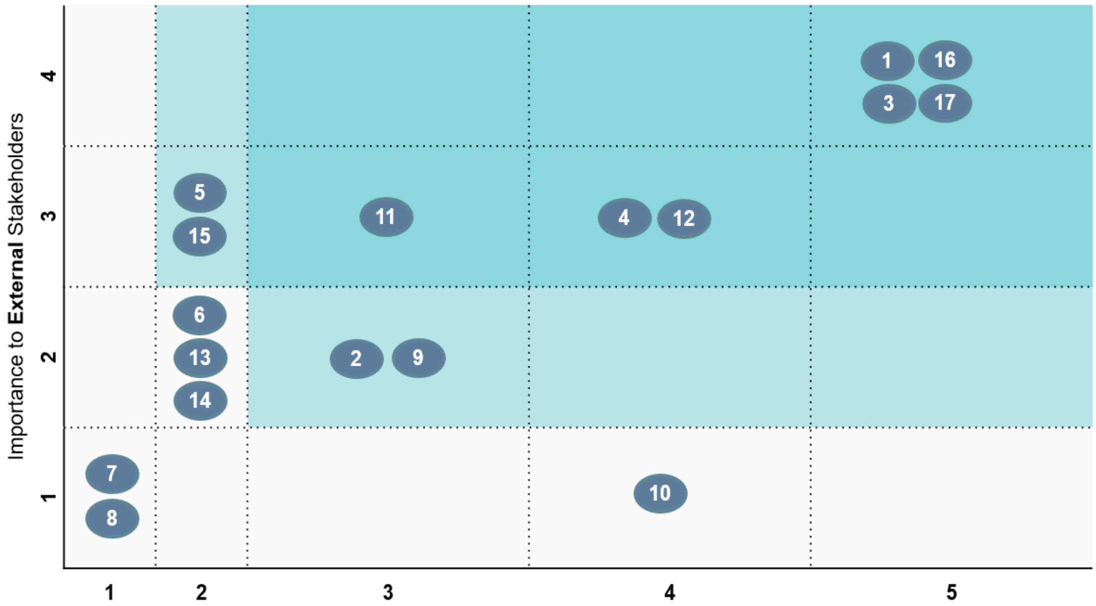
- Real Estate Developer's Association of Singapore (REDAS)
- International Organisation for Standardisation (ISO) 9001 Quality Management System
- ISO 14001 Environmental Management System
- Occupational Health and Safety Management System (OHSAS) 18001 Occupational Health & Safety

## MATERIALITY ASSESSMENT

A comprehensive materiality assessment process was carried out in FY2019 to identify high priority areas based on the business strategy outlined in our plan. The entire process was supported by an independent consultant and involved various stakeholders' consultations, workshops with senior management, an assessment of the long-term global trends and an internal review of our business operations.

The Group's material ESG topics are identified as those that are ranked as high on the materiality matrix (Refer to Exhibit 3). The Management will focus its sustainability efforts and sustainability reporting on these topics that are of the greatest concern to our business and key stakeholder groups.

**Exhibit 3. Pollux's Materiality Matrix**




**EES Topics That Were Considered**

1. Economic Performance
2. Procurement Practices
3. Anti-Corruption
4. Material Use
5. Energy Efficiency
6. Water Consumption
7. Emissions
8. Effluents & Waste
9. Environmental Compliance
10. Supplier Assessment
11. Fair Employment
12. Training & Education
13. Diversity & Equal Opportunity
14. Non-Discrimination
15. Local Community Engagement
16. Health & Safety
17. Customer Privacy

**Legend:**

| High | Medium | Low |
|---|---|---|

The material ESG topics were also reviewed by Pollux's Board of Directors and determined as being relevant. Moving forward, to keep abreast of critical issues, Management will review annually Pollux's material ESG topics against the changing business environment, stakeholder opinions, and emerging global and local trends.

## ENVIRONMENTAL MANAGEMENT

Environmental sustainability forms an integral part of the Group's sustainability philosophy. With increased pressure on corporations to be accountable for their environmental footprint and rising cost of natural resources, we endeavour to integrate the best sustainability practices across our business operations to reduce adverse environmental impact on the ecosystem.

In our daily operations, the Group continues to be committed on recycling, energy-saving practices and undertaking measures to reduce wastages, pollution and harmful emissions.

### MATERIAL USE

The Group recognises that its role as a developer and asset manager relies heavily on use of finite natural resources such as energy, concrete, metal and wood amongst other building materials in our business operations. Recognising that resource scarcity and rising costs are an increasing trend globally and have an impact on the long-term continuity of our business operations and bottom line, we continually seek to enhance our policies and practices to reduce our reliance on non-sustainable materials, as well as carbon footprint.

**Pollux is committed and strive to improve resource efficiency and reduce our environmental impact. We continue to factor in environmental considerations in our businesses.**

**Commitments & Targets**

- Improve the environmental management systems of key business units to meet the requirements of the ISO 14001 environmental management system.
- Continue to explore solutions that minimise environmental impact.
- Install or maintain energy-efficient equipment and devices at our facilities whenever possible, including LED lights and more energy-efficient cooling solutions.

### ENERGY EFFICIENCY

Our energy consumption for FY 2019 is as follows:

| Service Apartment | Energy Consumption (kwH) |
|---|---|
| Louis Kienne Serviced Residences | 1,440,000 kwH |
| Corporate Office | 6,000 kwH |

### ENVIRONMENTAL COMPLIANCE

The Group's operations continue to conform to local environmental laws and regulations. All employees of Pollux and that of contractors and consultants are encouraged to be proactive and forthcoming in managing and reporting environmental related issues and complaints. During the reporting period, there were no incidents of non-compliance and penalties pertaining to environmental-related issues.

To maintain the highest standard of environmental compliance, our commitment and target, the Management will continue to review and improve current environmental management system and practices and ensure that all our activities and operations comply with existing regulatory requirements.

## ORGANISATIONAL & RELATIONSHIP MANAGEMENT

### FAIR EMPLOYMENT

Our employees are one of our most valuable assets. We are committed to fair employment practices, uphold human rights principles and invest in developing and training our people. The Group strive to foster an inclusive and performance driven work environment to attract, retain and develop our talents. As an equal opportunity employer, the Group have instituted a fair system to ensure equal opportunities and non-preferential treatment for all employees. There is no preference or prejudice towards religion, age, ethnicity, any physical disability or gender. Employees are required to observe and adhere to all relevant policies and practices. As at 31 March 2019, the Company has a total number of 28 employees as compared to 32 employees in financial year ended 31 March 2018. This is due to all three of the Group's developments having attained their respective temporary occupation permit and are fully sold out. Hence, the Group retains only the talents for property investment segment.

Our hiring policies ensure equal employment opportunities for all. New hires are considered based on individual competencies as well as organisational and job fit. Our employment statistics illustrate the following diversity in our workforce.

**Distribution by Age and Gender (%)**

| < 30 years | 30 to 50 years | > 50 years |
|---|---|---|
| **20%** | **45%** | **35%** |


**Commitments & Targets**

- Continue to promote diversity and equal opportunity in the workplace.

**Employee Remuneration and Benefit**

The Group recognise the valuable contribution of all employees. We strongly believe in fair remuneration and sets remuneration packages which are competitive and sufficient to attract, retain and motivate personnel with adequate experience and expertise to manage the business and operations of the Group. In setting remuneration packages, the Group takes into account the regulatory requirements, salary, and employment conditions within the same industry and in comparable companies. As a Singapore company, the Group make contributions to the Central Provident Fund scheme in Singapore, a defined pension scheme. All employees are assessed regularly and remunerated fairly based on their experience, qualifications and performance.

Pollux strives to continuously cultivate a transparent and inclusive environment for all employees, as well as ensure a top-down approach to promote fair and ethical business dealings. We maintain zero tolerance for unethical labour practices such as child labour, forced labour, slavery and human trafficking in all our operations.

The Group also have an open-door policy where employees are encouraged to speak-up or report grievances directly to their superior, head of department, human resource department, chief executive officer and/or independent directors. This is to reinforce our commitment to our employees to provide them with a workplace that is healthy, safe and secure. Across our business segments, there were no grievance cases reported in FY 2019.

## TRAINING AND DEVELOPMENT

The Group recognises that employees need to stay informed and update their skill sets in the ever-changing work environment. To encourage and support our employees to develop their fullest potential and have a fulfilling career, both on-the-job and ad-hoc trainings are made available to our employees. At Pollux, it is mandatory for every employee to attend at least one work-related course each year. Employees can attend courses which are relevant to their work nature. The table below illustrates the average number of hours of training undertaken by each employee in FY2019.

| | Average Hours of Training Per Employee FY 2019 |
|---|---|
| Louis Kienne Serviced Residences | 1.8 hrs |
| Corporate Office | 2 hrs |

The Group will continue to provide training and education opportunities through development programmes wherever applicable and promote a conducive corporate environment where everyone could achieve their potential.

## HEALTH AND SAFETY

Pollux remains committed to maintaining a safe and productive environment, free from harassment in which all individuals are treated with respect and dignity and we expect all our employees and individuals who work at our sites to follow our health and safety policies and procedures and be free from substance abuse.

Processes are in place to identify, mitigate and report risks and communicate best practices across the Group, and we work with our contractors and subcontractors to ensure that they understand our requirements and expectations.

**Commitments & Targets**

- Strive to raise awareness, maintain vigilance and foster a strong health and safety-centric culture particularly at the ground level.

The Group engages contractors and suppliers who are not only committed to high quality, but also to environmental, health and safety standards. In Singapore, we only appoint bizSAFE Level 3 and above certified vendors and service providers. Our main contractors appointed for development projects are required to be OHSAS 18001 certified or to engage an independent accredited assessor to conduct site OHS legal compliance audits.

In FY 2019, there were no incidents of fatalities across Pollux's business operations. The Group strives to continue maintain its health and safety standards and drive continuous improvement in our Operational Health and Safety processes and performance.

## CUSTOMER PRIVACY

Data security is of utmost importance to us and we are committed to protecting and maintaining customers' privacy and data. In addition to internal policies and procedures designed to safeguard customer information, Pollux does not divulge or sell such personal information to third parties for marketing or promotional purposes.

**Commitments & Targets**

- Maintain zero breaches of customer privacy or loss of data.

Our privacy policy which states in detail the information that we collect, how we use it, and under what circumstances we disclose it, along with any changes, is publicly accessible on our website.

In FY 2019, we have had no complaints of breaches of customer privacy or loss of data.

## LOCAL COMMUNITIES

Corporate social responsibility ("CSR") is embedded in our corporate culture and forms an integral part of our business direction. We are guided by our belief that the inclusion of community interests into our business processes supports the long-term interests of the Company and our stakeholders. The Group encourage employees to recycle items and reduce wastage through donation of unwanted usable items and participate in volunteering activities. We believe that when our employees contribute their time and effort to worthy causes, they would in turn develop professionally and personally, with a greater sense of purpose.

We continue to strive to achieve a positive and sustainable outcome for our business and the community by balancing our corporate social responsibility and commercial viability. The Group will continue to enhance relationships with stakeholders in our value chain and hope to create wider economic value in the communities we operate in.

# CORPORATE GOVERNANCE

Pollux is committed to upholding the highest standards of corporate governance and business integrity in all our business activities, which are essential for the long-term viability of the Group's businesses and the enhancement of shareholder value.

The Management closely monitor developments in the laws and regulations of countries where Pollux operates to ensure that our businesses and operations comply with all relevant laws and regulations. Pollux currently operates in Singapore only.

## ANTI CORRUPTION

The Board undertakes to investigate complaints of suspected fraud in an objective manner and has put in place a whistle-blowing policy and procedures which provide employees with well-defined and accessible channels within the Group including a direct channel to the Audit Committee, for reporting suspected fraud, corruption, dishonest practices or other similar matters.

The policy aims to encourage the reporting of such matters in good faith, with the confidence that employees making such reports will be treated fairly and, to the extent possible, be protected from reprisal. On an ongoing basis, the whistle-blowing policy is covered during staff training as part of the Group's efforts to promote fraud control awareness. The policy and its effectiveness will be reviewed by the Audit Committee periodically, with recommendations regarding updates or amendments, if any, to be made to the Board as required. There was no whistle-blowing report received during FY 2019.

**Commitments & Targets**

- We are fully committed to upholding the highest standards of corporate governance and business integrity in all our business activities. Our emphasis is clear and consistently reiterated.
- We have zero tolerance for bribery, corruption, fraud and violation of laws and regulations.

In FY2019, we have not received any monetary fines, non-monetary sanctions or have any open cases on regulatory non-compliance.

**Moving Forward**

The Audit Committee continues to support the Board in its oversight of anti-corruption and is responsible for driving Pollux's focus on implementing effective compliance and governance systems. At an operational level, the respective department within the Group continues to be responsible to identify, self-assess the adequacy and effectiveness of mitigating measures, and manage their financial, operational, compliance and reputational related risks.

Please refer to the Corporate Governance section of the annual report for more information.

## GRI CONTENT INDEX

| Category | Disclosure | Description | Page Reference and Remarks |
|---|---|---|---|
| GRI 102: General Disclosures | 102-1 * | Name of the organization | Page 3 |
| | 102-2 * | Activities, brands, products, and services | Refer to Page 2 to 3 and page 96-98 of Annual Report FY2019 |
| | 102-3 * | Location of headquarters | Back Cover |
| | 102-4 * | Location of operations | Refer to Page 3 - Corporate Structure of Annual Report FY2019 |
| | 102-5 * | Ownership and legal form | Refer to Notes 1, 14 to 16 of Notes to The Financial Statements of Annual Report FY2019 |
| | 102-6 * | Markets served | Refer to Chairman's Statement and Corporate Structure of Annual Report FY2019 |
| | 102-7 * | Scale of the organization | Page 8 |
| | 102-8 * | Information on employees and other workers | Page 8 |
| | 102-9 * | Supply chain | Page 5 |
| | 102-10 * | Significant changes to the organization and its supply chain | No significant changes |
| | 102-11 * | Precautionary Principle or approach | Page 4 |
| | 102-12 * | External initiatives | Page 5 |
| | 102-13 * | Membership of associations | Page 5 |
| GRI 102: Strategy | 102-14 * | Statement from senior decision-maker | Refer to Chairman's Statement of Annual Report FY2019 |
| GRI 102: Ethics and Integrity | 102-16 * | Values, principles, standards, and norms of behaviour | Page 3 |
| GRI 102: Governance | 102-18 * | Governance structure | Page 2 |

| Category | Disclosure | Description | Page Reference and Remarks |
|---|---|---|---|
| GRI 102: Stakeholder Engagement | 102-40 * | List of stakeholder groups | Page 5 |
| | 102-41 * | Collective bargaining agreements | None |
| | 102-42 * | Identifying and selecting stakeholders | Page 5 |
| | 102-43 * | Approach to stakeholder engagement | Page 5 |
| | 102-44 * | Key topics and concerns raised | Page 5 - 6 |
| GRI 102: Reporting Practice | 102-45 * | Entities included in the consolidated financial statements | Refer to Page 3 - Corporate Structure of Annual Report FY2019 |
| | 102-46 * | Defining report content and topic Boundaries | Page 5 |
| | 102-47 * | List of material topics | Page 6 |
| | 102-48 * | Restatements of information | Not Applicable |
| | 102-49 * | Changes in reporting | Not Applicable |
| | 102-50 * | Reporting period | 1 April 2018 to 31 March 2019 |
| | 102-51 * | Date of most recent report | 15 March 2019 |
| | 102-52 * | Reporting cycle | Annual |
| | 102-53 * | Contact point for questions regarding the report | Page 2 |
| | 102-54 * | Claims of reporting in accordance with the GRI Standards | Core option |
| | 102-55 * | GRI content index | Page 12 - 15 |
| | 102-56 * | External Assurance | The Group has not sought external assurance for this sustainability report. |
| GRI 301: Materials | DMA | Disclosure of Management Approach | Page 7 |
| GRI 302: Energy | DMA | Disclosure of Management Approach | Page 7 |
| | 302-1 | Energy consumption within the organisation | Page 7 |

| | | | |
|---|---|---|---|
| | 302-4 | Reduction of energy consumption | Page 7 |
| GRI 307: Environmental Compliance | DMA | Disclosure of Management Approach | Page 7 |
| | 307-1 | Non-compliance with environmental laws and regulations | Page 7 |
| GRI 401: Employment | DMA | Disclosure of Management Approach | Page 8 |
| | 401-1 | New employee hires and employee turnover | Page 8 |
| | 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | Page 8 |
| | 401-3 | Parental leave | In support of the Singapore government's pro-family legislation, eligible working mothers and fathers who are legally married and whose new-born child is a Singapore citizen are entitled to 16 weeks of maternity leave and 2 weeks of paternity leave respectively. Eligible working parents of at least one Singapore citizen child whom is less than seven years old; or between ages of 7 to 12 (by extension) are entitled to 6 days of paid childcare leave annually. |
| GRI 403: Occupational Health and Safety | DMA | Disclosure of Management Approach | Page 9 |
| | 403-2 | Types of injury and rate of injury | Page 9 |
| GRI 404 Training & Education | DMA | Disclosure of Management Approach | Page 9 |
| | 404-1 | Average hours of training per year per employee | Page 9 |
| | 404-2 | Programmes for upgrading employee skills and transition assistance programmes | Page 9 |
| | 404-3 | Percentage of employees receiving regular performance and career development reviews | All employees are assessed regularly and remunerated fairly based on their experience, qualifications and performance. |
| GRI 405: Diversity & Equal Opportunity 2016 | 405-1 | Diversity of governance bodies and employees | Page 8 |
| GRI 413: Local Community | DMA | Disclosure of Management Approach | Page 10 |
| | 413-1 | Operations with local community engagement, impact assessments, and development programs | Page 10 |
| GRI 413: Customer Privacy | DMA | Disclosure of Management Approach | Page 10 |

| | | | |
|---|---|---|---|
| | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data development programs | Page 10 |
| GRI 205 Anti-Corruption | DMA | Disclosure of Management Approach | Page 11 and Page 35 - Corporate Governance of Annual Report FY2019 |
| | GRI 205-3 | Confirmed incidents of corruption and actions taken | Page 11 and Page 35 - Corporate Governance of Annual Report FY2019 |

POLLUX
PROPERTIES

554 Havelock Road
Singapore 169639
Tel: +65 6922 0333
Fax: +65 6922 0338