

BONVESTS HOLDINGS LIMITED

Sustainability Report

For the year ended 31 December 2018

BOARD STATEMENT

The Board presents our second Sustainability Report. As the Board of Directors (the “Board”), for Bonvests Holdings Limited and its subsidiaries (the “Group”) we recognise the importance of sustainable business growth to both strengthen our industry position and deliver benefits to our shareholders, employees and other stakeholders. The Board oversees the direction of sustainability within the Group as well as the management of sustainability related performance and development of the sustainability report.

The Board has been involved in reviewing the material Environmental, Social and Governance (ESG) factors, selected in 2017, for the Group. These ESG factors were determined via a materiality assessment that was conducted last year to identify where to concentrate our sustainability efforts in high impact areas which support our business strategy. This year, the Board has agreed that these ESG factors remain material for 2018. In addition, we continued to oversee the management of our impacts in these areas as well as our performance and targets for the upcoming year.

Our Sustainability Report is aligned to the sustainability reporting regulatory requirements set by Singapore Exchange (SGX); SGX-ST Listing Rules 711A and 711B and references the GRI Standards (2016).

SUSTAINABILITY AT BONVESTS HOLDINGS

The hospitality sector is one that is closely entwined with numerous ESG issues. Environmental concerns such as energy and water use due to demands from hotel facilities and biodiversity concerns in locations with sensitive ecosystems as well as employee and guest wellbeing has long been at the top of the Group’s list of priorities. Concerns over these factors have been growing due to an increase in awareness from various stakeholder groups over the last few years. More and more hotel guests are expecting destination hotels to be aware of and to mitigate their negative impacts and investors are seeing the linkages between good sustainability management and good business governance.

Our guest experience is of paramount importance to us and we believe that it is possible to operate responsibly, without sacrificing any guest or employee comfort. In fact we believe that the changing landscape allows us to leverage off sustainability efforts to create better experiences.

In 2017, the Group worked towards formalising and standardising our approach to key concerns. This involved setting up a sustainability governance structure and formalizing reporting lines on sustainability performance. Over the last year, we have continued to strengthen these structures and continued with our various sustainability initiatives. We have a number of practices in place that help us to better manage our operational impacts and we invest in our diverse range of talent through training and career development. We will continue to look for opportunities to continue our sustainability journey in the coming years.

WHO WE ARE

The Group has been established as an experienced player in the property industry for more than 30 years. The Group's three core businesses are hotel ownership and management, property development and investment, and waste management and contract cleaning of buildings. Bonvests has hotel assets in Tunisia, Zanzibar, Mauritius, Maldives and Bintan, Indonesia under The Residence by Cenizaro brand, Sheraton Towers Singapore Hotel and Four Points by Sheraton Perth, Australia. The Group's commercial real estate portfolio comprises business-related office and retail space in Singapore, Australia and Tunisia. We take pride in managing our diverse property portfolio to enhance the experience of our building tenants and visitors. With a strong foundation, the Group will remain committed to seeking quality projects and opportunities to develop them with innovative solutions.

ABOUT THIS REPORT

Reporting Scope

Although we practice sustainability throughout our business, the performance data in our sustainability report encompasses operations that are most material for the Group. The performance data in our sustainability report encompasses our investment property and hotels namely Liat Towers, Singapore and The Residence Tunis, The Residence Mauritius, The Residence Zanzibar, The Residence Maldives, Sheraton Towers Singapore and Four Points by Sheraton Perth. Our newly operational hotels, The Residence Bintan and The Residence Maldives Dhigurah will be included respectively once they have reached a full year of operation.

Reporting Standard

Our sustainability report is in line with the Singapore Exchange (SGX) sustainability reporting listing requirements and references the Global Reporting Initiative (GRI) standards (2016). This report references the following GRI Standards and topic-specific Disclosures:

- Disclosure 302-1 from GRI 302: Energy 2016
- Disclosure 303-1 from GRI 303: Water 2016
- Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews

Feedback

The Group welcomes all feedback to help us improve our sustainability practices. Please send your questions or feedback to investorrelations@bonvests.com.sg.

ASSESSING MATERIALITY

Engaging with Our Stakeholders

We engage with our stakeholders through both formal and informal channels. Some of our key stakeholders are our customers, tenants, shareholders, business partners and employees. We engage in two way feedback at meetings and our annual AGM and via surveys such as customer/guest satisfaction surveys. This regular engagement allows us to stay abreast of stakeholders concerns and priorities, in order to address issues and to continue to operate a sustainable business. We are also able to determine some of the key areas in regards to Environmental, Social and Governance (ESG) issues for our stakeholders from these interactions.

Materiality Assessment

It is important to focus our sustainability efforts in areas where we can have the most impact. This means that we need to identify the ESG factors that our stakeholders are most concerned about and those that most impact our business as well as those that are most impacted by our business. We carried out a materiality assessment in 2017 to identify our most material ESG factors. This year, management reviewed the ESG factors selected. Considering that as there have been no major changes in our business operations, nor any major changes in mega-trends affecting the industry, the decision was made that these factors remain the most material for the Group for 2018. This decision was endorsed by the Audit Committee.

Our six material ESG factors are listed below. We include details on all our factors in this report, except for 1. Economic performance, for which you can find details in our 2018 Annual Report.

Material Factors for the Group:

Economic	Environmental	Social	Governance
1 Economic Performance	2 Energy 3 Water	4 Health, Safety and Welfare 5 Talent development	6 Regulatory compliance

ENERGY

2018 Highlights

Indicator	2018 Performance	2018 Target	2019 Target(s)
<ul style="list-style-type: none"> • Electricity consumption • Electricity intensity 	<ul style="list-style-type: none"> • Hotel Properties - Electricity intensity for the hotel properties decreased slightly -1.1% to 69.96 kWh/guest night. • Investment Properties - Electricity intensity for the investment properties decreased 38.9% to 81.46 kWh/m². 	<ul style="list-style-type: none"> ▪ Achieved - Maintain or reduce electricity intensity from the baseline 2017. 	<ul style="list-style-type: none"> ▪ Maintain or reduce electricity intensity from the baseline 2017.

The hospitality industry can be one that has a high energy demand. Providing a good quality service to guests includes maintaining a comfortable temperature in rooms, which often requires heating or cooling, and provision of clean linens, which require round the clock laundry operations. Our hotels are in operation 24 hours a day leading to constant lighting in certain areas and facilities such as spas, gymnasiums and swimming pools also require an energy source to operate. However, we realise that these energy demands could have negative environmental consequences and that the reduction of GHG emissions, which are a result of the use of fossil fuels, is high on the agenda of many of the world's governments. Therefore, the Group continues to look for opportunities to play a role in reducing these potentially negative impacts through a number of energy reduction initiatives.

All our hotels make use of technology to reduce electricity use, such as through setting timers and using movement activated sensors. We are also striving to replace halogen spotlights to lower-demand LED spotlights and we set the air conditioners as standard to a comfortable temperature of around 24 degrees Celsius. Where we can, we replace older equipment with newer, more energy efficient items which consume less electricity.

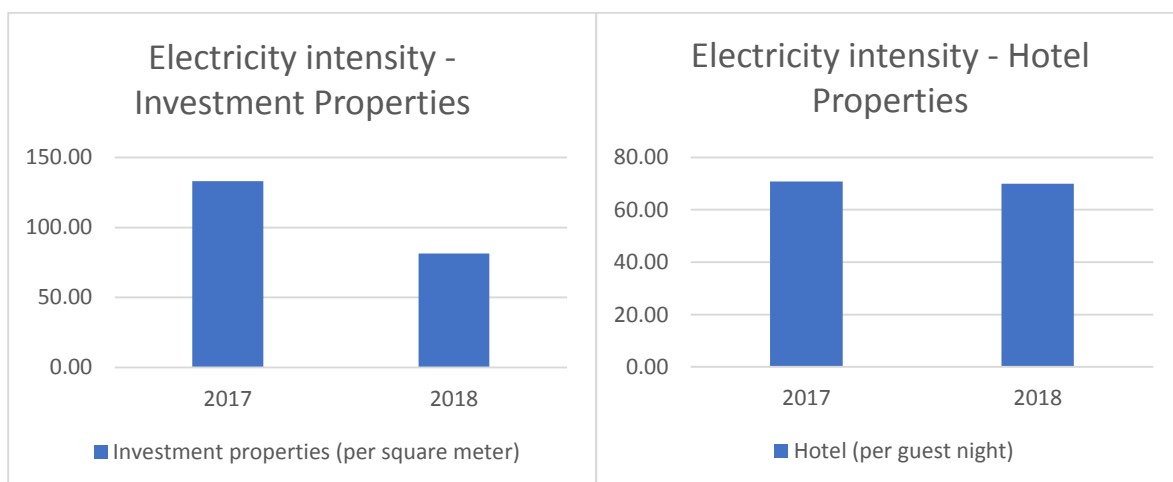
Over the last year, a number of new initiatives have contributed to an increase in energy efficiency. Sheraton Towers Singapore has installed Heat Pumps to supply Guestroom's hot water as part of the Green Mark initiatives to replace the use of boilers. Four Points by Sheraton Perth's monthly energy consumption is monitored closely to ensure the BMS system is running at maximum efficiency. Local consultants test the system each month to ensure BMS system is running to the manufactures parameters and industry standards. In addition, The Residence Maldives has minimised usage of the incinerator during the year after the overhaul of general waste management in 2017.

The Residence Tunis's Tri-generation system which uses a fuel source to produce heating, cooling and electricity continued to operate at high level of efficiency. At The Residence Maldives, heat produced as a by-product of our air conditioners is continued to be used to heat water. The Residence Maldives has also minimise usage of incinerator during year 2018 and after the overhaul of general in end 2017. The Residence Maldives has also completed replacing the normal air-conditioner this year to Inverter type air-conditioner for low electricity usage with high efficiency. At The Residence Zanzibar and The

Residence Maldives operations, we have a "Switch off Something" policy which is communicated to all staff and encourages them to switch off any electrical items or outlets not being used as they go about their everyday business. Our Green Mark certified hotel, Sheraton Towers Singapore also has a hotel consultant to test the efficiency and effectiveness of our BMS system and in Liat Towers, we have completed the chiller replacement to improve their operational performance. This new installation is part of our push to achieve Green Mark certification for Liat Towers.

We encourage our guests to participate in energy reduction by leaving a "Green Card" in the rooms and giving them the option to not have their linens changed each day and the lighting and air conditioners in most of our hotels are operated by a key card, reducing the energy consumption of unoccupied rooms. In Mauritius we have launched a "Green Engage" initiative to engage our guests, staff and community. Our security teams are also asked to look out for and report any lights in unoccupied areas.

Our electricity intensity for the hotel properties decreased slightly from 70.77¹ kWh/guest night to 69.96 kWh/guest night in the same time period. At our investment properties, electricity intensity decreased from 133.12 kWh/m² to 81.46 kWh/m² as a result of our energy saving initiatives.



Note: Data excludes electricity consumption in tenanted areas at our properties.

¹ 2017 Guest night data has been revised, therefore energy intensity for 2017 is restated.

WATER

2018 Highlights

Indicator	2018 Performance	2018 Target	2019 Target(s)
<ul style="list-style-type: none"> Water consumption Water intensity 	<ul style="list-style-type: none"> Hotel Properties - Water intensity for the hotel properties decreased to 1.33 m³/guest night. Investment Properties - Water intensity for investment properties decreased to 0.90 m³/m². 	<ul style="list-style-type: none"> Achieved - Maintain or reduce water intensity from the baseline 2017 levels 	<ul style="list-style-type: none"> Maintain or reduce water intensity from the baseline 2017 levels

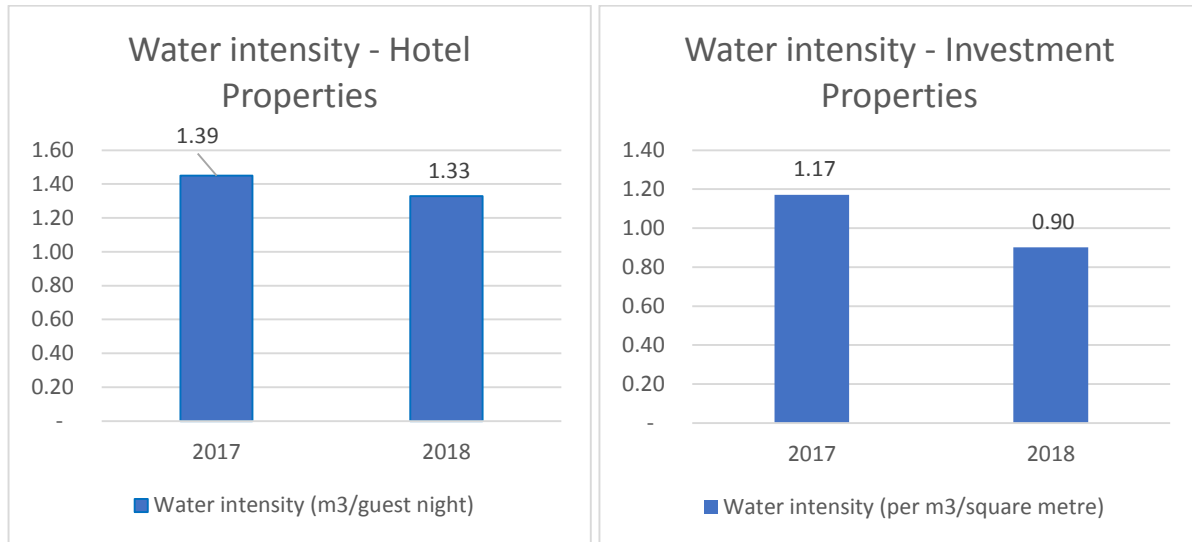
Water is another essential resource in regard to the hospitality sector. Water is used by our guests and our hotels for washing and cooking and these activities will increase as our occupancy increases. Water is a limited resource and can become scarce, particularly at some of our more remote locations. For this reason, we aim for a responsible use of water to reduce the demand from the hotels.

At The Residence Tunis, the pipeline improvements works completed in FY2017 has helped to reduce water leakage incidents, and at The Residence Maldives maintenance work has reduced water pressure, and therefore consumption, with no loss of guest comfort. The Residence Maldives has also installed 20 meter points to monitor daily meter reading and water consumption in order to recognize any pipe leaks and rollout preventive maintenance programme including timely inspection to identify pipe leak and prevent loss of water through pipe leaks. Sheraton Towers Singapore has implemented a centralised dishwashing operations to reduce the water consumption.

We have looked for opportunities to increase water efficiency in our fixtures and fittings with all toilet taps at Liat Towers being replaced with self-closing taps to meet PUB standards on water fittings. Our hotels either have, or are in the planning stages of installing, sewage treatment plants, from which reclaimed water is used in irrigations. Watering the gardens is restricted to evenings and early mornings to reduce water loss through evaporation. Some of our more remote hotels also make use of desalination technology to provide water for bathrooms and kitchens. At The Residence Maldives, plans are underway for a rainwater harvesting system to reduce reliance on public utilities.

The advantages gained through these refurbishments are maintained through better management efforts where hotels monitor metre readings and check for spikes in water usage and follow up with investigations on why this might be. At some of our assets there are daily walkthroughs to ensure no water leakages from bathroom fittings and water pressure is monitored to identify irregularities that could indicate a leak. Staff and visitors are requested not to run taps unnecessarily. In The Residence Mauritius, where water is precious, we place tent cards in rooms to ask guests to be conservative with their water use. In addition, we have commissioned a water audit to be conducted at Four Points by Sheraton Perth in 2018 to identify where water consumption can be further reduced. The water audit finds that Four Points by Sheraton Perth's water use was well below the industry average based on Litres per room night and Litres per guest night and is considered by HFM Asset Management (www.hfmassets.com.au) to be industry leading in terms of water management, even more so as the hotel is water cooled. It was noted that water use had reduced significantly since 2011/12 primarily due to extensive refurbishments of room fixtures and ongoing monitoring has maintained this optimal level of performance. While Four Points by Sheraton Perth is considered industry leading, HFM Asset Management has identified a number of further water efficiency opportunities that may be considered.

Water intensity also decreased from 1.45² to 1.33 m³/guest night. At investment properties, water intensity increased slightly from 1.17 m³/m² to 0.90 m³/m² in the same period.



HEALTH, SAFETY AND WELFARE

2018 Highlights

Indicator	2018 Performance	2018 Target	2019 Target(s)
<ul style="list-style-type: none"> Percentage of eligible staff receiving health and safety training 	<ul style="list-style-type: none"> 100% of eligible staff receiving health and safety training 	<ul style="list-style-type: none"> Achieved - 100% of eligible staff to continue to receive health and safety training 	<ul style="list-style-type: none"> 100% of eligible staff to continue to receive health and safety training

Health, safety and welfare of our staff

In the course of our work as hotel operators, there are some occasions where our employees may be at risk of injury. Higher risk areas include employees in the kitchens and restaurants, maintenance and cleaning. Although serious injuries are rare, we do all we can to ensure our employees are safe and remain healthy in their places of work.

In order for employees to remain safe and healthy, we have a number of initiatives in place. One of which is our health and safety practices in place at each of our hotels. These practices cover the health and safety of our employees when they are on site and include rules, tips, processes and procedures for staying safe and reporting incidents. These practices are made available to staff in the employee handbooks, where relevant. In addition, posters and signage is in place in areas where staff may need extra reminders or warnings of hazards and concerns as well as when required by law. In some locations, such as Mauritius, we have Health and Safety officers who ensure our compliance with the OSHA Act and reports on performance are sent to the relevant government ministry. We also have a Health and Safety committee who meet every two months to update the teams on performance and review policies and practices.

² 2017 Guest night data has been revised, therefore water intensity for 2017 is restated.

³ Eligible staff range from hotel to hotel, depending on the needs of each location.

In addition to these practices, we also implement a number of in-house awareness training briefings. Employees will attend a new joiner orientation where new staff are introduced to work at our various locations, these orientations are tailored to the location as well as the new staff's role and will include instructions on how to stay safe in their role and what risks they need to look out for. For longer serving staff members, courses are made available where relevant. These courses include instruction on operating certain machinery and equipment safely, fire safety, first aid and any other courses that may be mandated or considered appropriate. At Sheraton Towers Singapore Hotel, an annual Table Top Exercise for Crisis Management under the Marriott International Standard and a security and safety audit from the Singapore Authority and Marriott International are held. The Sheraton Towers Singapore Hotel management team is also a member of the neighbourhood watchguard in collaboration with the Police Force.

Demonstrating our commitment to the safety of our staff, we have health and safety champions at relevant locations. This champion is responsible for putting into place any safety precautions that might be necessary. Their role also includes the collection of data and information on health and safety and reporting this to the general manager of the hotel.

Guest and tenant health and safety

With hundreds of guests and visitors passing through our hotels and properties over the year, we have a responsibility to safeguard their safety during their time with us. The experience of our guests and visitors is paramount to us and this includes allowing them to feel safe and relaxed in order to fully enjoy their visit.

There are several aspects of our hotel operations where we specifically focus on the health and safety of our customers. These include food safety and general safety in the rooms, shared areas, pools, spas and golf courses. In the kitchens, our chefs and employees have strict systems in place which prevent the serving of unsafe food. Regular checks on the freshness of the food are carried out, both when supplies arrive at the restaurants as well as on a daily basis. Some initiatives include having dedicated sets of cutting boards, knives and other utensils to avoid cross contamination and labelling of food to track use-by-dates to prevent food becoming out of date. We purchase food items regularly and are careful to avoid over-ordering to avoid waste and ensure the ultimate freshness in food served. Kitchen staff are trained in food hygiene, either using international standards, such as Hazard Analysis and Critical Control Points (HACCP) or by medical and hygiene professionals. Relevant government departments in each location will carry out inspections as per their relevant mandatory schedules. Halal certification is also obtained where necessary to provide reassurance to our Muslim guests.

The facilities at our hotels come under the guardianship of our general managers and security teams who conduct formal and informal risk assessments from the perspective of our guests. They check for major hazards such as elevator malfunctions to minor issues like trip hazards and we aim to address any issues as soon as possible. Our regular fire and emergency drills also safeguard the safety of our guests and at some of our more remote, beach side locations we employ and train life guards to watch over water-based activities and have in-house doctors or nurses. Some of our hotels are remote enough to warrant in house emergency teams who are trained in fire and tsunami evacuations as well as the use of specialist firefighting equipment, which is also provided and maintained by our staff. Emergency manuals are drawn up and check lists are in place for regular monitoring. We also have satellite communication equipment in some locations in case of emergencies.

We receive audits from various authorities and agencies to address both occupational and guest safety where appropriate. For example, At Sheraton Towers Singapore Hotel, these include an annual audit from Marriott on the Hotel's safety for guest and associates, an annual SHA/SPF/NCPC Hotel Security

Audit, an annual SCDF Fire Safety Audit, a quarterly peer audit by sister hotels and an annual audit from Marriott on Food Hygiene. A Fire Safety and Security Committee Meeting sits every month.

TALENT DEVELOPMENT

2018 Highlights

Indicator	2018 Performance	2018 Target	Target(s)
• % eligible staff receiving performance appraisals	• 100% eligible staff received performance appraisals	▪ Achieved - 100% eligible staff receive performance appraisals	▪ 100% eligible staff receive performance appraisals

Our staff are extremely important to the success of our operations. As a customer focused business, well trained, highly skilled staff are essential for giving our hotel guests the experience that they expect from us. For this reason, we invest in our staff in order for them to be equipped with the knowledge and skills they need as well as to retain the talent most important to us.

Training and education

We employ staff with a large range of skills and experience, from technicians, to chefs, and receptionists to housekeeping staff. Staff range from needing specific technical training and updates to straightforward in-house on-the-job training. However, wherever they may be in this range we are passionate about ensuring they have access to the training and development they need to do their job well and feel satisfied in their roles. In order to do this, all eligible staff will receive an annual performance appraisal that will serve to both inform them of how they are performing against expectations as well as identify any gaps in their knowledge or what may be needed to allow them to progress within the organisation. These performance appraisals will enable staff to feedback to management on where they may like to improve their own performance and which trainings may help them to do so.

Training provided for our staff ranges from on the job, in house training to external leadership skills development. In our Maldives hotel, we bring in external trainers two or three time a year to upskill our leadership team and provide quality service training to our service staff and health & safety staff. At The Residence Zanzibar, we have a dedicated training manager who organises hospitality service training, professional training and even English lessons to ensure that we maintain our high standards of service. We seek outside advice and assurance of the level of our service through the Leading Quality Standards (LQA). Our Mauritius team also benefits from in house training and staff are sponsored to attend external courses where relevant. In addition in this location, we accept trainees from the national hotel school for practical training. The Residence Mauritius also offer the career development plan for all high performers, where we accompany them in their growth during 6 to 9 months intense training, and upon successful completion, they are promoted to next level. At Sheraton Towers Singapore Hotel and Four Points by Sheraton Perth we provide Sheraton Core Knowledge Training for new hires and we have an HR Policy and Procedure under our Human Resource Development and HR Training Plan as well as an On-Job-Training Manual. We encourage associates to take courses such as English language, computer classes and business writing skills under the Singapore Workforce Skills Qualification (WSQ), for Sheraton Towers Singapore Hotel, to enhance capabilities and develop our staff. Across all our locations, we provide cross-department training and opportunities for sideways and upwards development.

Diversity and equal opportunity

We do not tolerate discrimination in our work-force and we require all staff to be treated fairly, regardless of age, race, gender or religion. This applies to all aspects of our human resources from recruitment to promotion to retirement. Our employee handbooks include our position of equal opportunities. The Sheraton Towers Singapore Hotel falls under the Singapore Tripartite Alliance and in Mauritius we align with the principles from the National Workers Union and comply with Employment Rights Act.

REGULATORY COMPLIANCE

2018 Highlights

As a responsible corporate citizen, we have a zero tolerance policy towards non-compliance with relevant laws and regulations. We hold ourselves to high standards in this area and we have a number of policies in place to avoid inappropriate conduct that can lead to the loss of stakeholder trust as well as the loss of operating licenses.

The main areas which we concentrate our governance efforts are around anti-corruption and marketing and labelling.

Anti-corruption

Corruption can be a concern in some of our locations of operations and in the real estate and hospitality industry. We are mindful of these risks and so have prepared policies and procedures to avoid these issues. We have a corporate anti-corruption and anti-fraud policy as well as a whistle blowing policy and anti-bribe policies. These policies are made known to all our staff and we conduct trainings and briefings to be sure staff are aware of how they are expected to behave as well as what activities may constitute a breach of the law. Corporate level staff are also required to make self-declarations each year to keep management up to date and increase awareness amongst the staff.

Marketing and labelling

As a hotel owner and operator, the success of our business is heavily dependent on advertising. We are careful to ensure that our advertising is fair, true and transparent to avoid misleading our guests. This is not only to ensure compliance with relevant advertising standards and laws, but also avoid disappointed guests whose expectations we are eager to fulfil. In Singapore, we adhere to the relevant rules and regulations, such as the Singapore Advertising Standards.

Corporate compliance

Other laws and regulations that are relevant to us include SGX listing rules, MAS laws and regulations and personal data protection. Management keep a close eye on activities around these issues and policies such as our Corporate Code of Conduct mean that staff are aware of expectations upon them. In addition, management level staff complete an annual self-declaration that covers areas such as conflicts of interest and independence.

We reviewed our regulatory risks as part of the management risk assessment process in 2018, achieving our 2018 target. We will continue to do so in the coming 12 months.