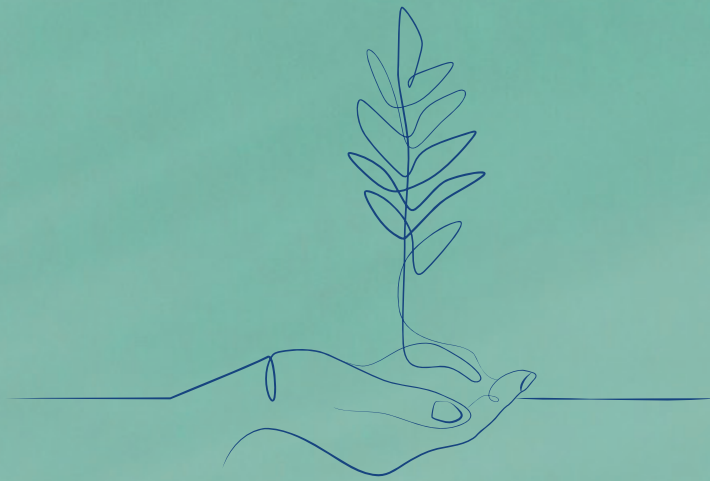




# Beyond the Prologue

Ho Bee Land Limited | Sustainability Report 2023





# **EMBRACING THE GREEN CANVAS**

As we embark on our journey in pursuit of sustainability, each sustainable initiative becomes a stroke on a canvas, portraying our dedication to responsible practices and environmental stewardship. This canvas represents our commitment to reducing ecological impact, fostering community building and advancing sustainable development. Every mindful decision adds vibrant hues to this evolving narrative, illustrating a story of resilience, conservation, and innovative progress. Our sustainability commitment is more than a singular chapter; it's a continually unfolding narrative, inviting everyone to join in crafting a greener, more sustainable world.

# SUSTAINABILITY REPORT

## BOARD STATEMENT

At Ho Bee Land (“Ho Bee” or the “Company”), we are driven by our mission to enhance the lives of the people and communities we interact with and the environment we live in. Our environment, social and governance (“ESG”) strategy amplifies this mission through our key pillars: Enhancing Economic Value, Contributing to a Sustainable Environment, Developing our People, Enriching our Communities, and Strengthening Corporate Governance.

Aligned with our mission, we are proud to present our sustainability efforts, initiatives, performance, and achievements in the Ho Bee’s Sustainability Report (“Report”) for the financial year 1 January to 31 December 2023 (“FY2023”). This report demonstrates our commitment to ensure sustainability is embedded in all our business and financial strategies and planning processes.

The Board plays a pivotal role in driving sustainability across the Company<sup>1</sup>. We proactively weigh our ESG risks and opportunities when making business decisions. We also determine and manage material ESG factors that would directly and indirectly impact our business in the long term. In FY2023, we reviewed our ESG factors to ensure they accurately represent the risks and opportunities to our business strategy and our impacts in the broader society. We have made a deliberate effort to concentrate resources and efforts to enhance our environmental performance as we are keenly aware of the environmental impact of the real estate sector. In addition, we will work closely with the management team to ensure that all the ESG factors are monitored and reviewed on an ongoing basis.

In FY2023, we continued to champion our sustainability mission by looking at practical ways to decarbonise our property portfolio and track our progress against our business and environmental targets. Together with an external partner, we set ambitious but practical short-term decarbonisation

targets. We took guidance from the Science Based Targets initiative (“SBTi”) and considered our resources, financial feasibility, and technologies available in the market. We are reviewing our portfolio to develop a medium-term decarbonisation target, which we will disclose in due course. These targets are set to support our aim to reach our long-term goal of net zero by 2050. The Board will continue to monitor all targets set through quarterly reviews and drive action plans to achieve targets.

We conducted our first climate risk assessment in FY2022 to further strengthen our climate resilience. The analysis was conducted per the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”). In FY2023, we continued to monitor and review the results as disclosed in this sustainability report.

To support our decarbonisation target and enhance climate resilience, we reviewed the building efficiency of our properties and obtained a green certificate where possible in FY2023. We are proud to share that our flagship property in Singapore, The Metropolis, has retained BCA’s Green Mark Platinum certification, and two of our properties in the United Kingdom, The Scalpel and Ropemaker Place, have retained their BREEAM (“Building Research Establishment Environmental Assessment Method”) “Excellent” sustainability rating in the year. Our continuous efforts in greening our portfolio have helped us secure green loans and lower our cost of capital<sup>2</sup>. In FY2023, we secured a £376 million Green loan for Ropemaker Place and \$450 million Green loan for The Metropolis. Going forward, we will continue to seek opportunities to invest in and develop greener and more sustainable properties.

In FY2023, the global sustainability landscape continued to evolve rapidly, with a new reporting standard, IFRS Sustainability Disclosure Standards, unveiled by the International Sustainability Standards Board (“ISSB”). The Board and Management have undergone capacity-building exercises

to better prepare ourselves for the new standard and other emerging ESG trends. In this Report, we are pleased to share a perspective of our sustainability strategies and plans with our stakeholders.

As we look forward to the next year, we are mindful of the heightened uncertainties in the global markets and geopolitical environment, which would impact both business outlook and sustainability progress. However, we are cautiously optimistic about global and sectoral commitments towards decarbonisation and climate actions. With the foundations laid across the last few years, we are confident that Ho Bee is in a strong position to deliver business values in both property development and investment segments and set leading and positive practices as a sustainable real estate organisation.

On behalf of the Ho Bee’s Board and Management, we would like to extend our appreciation and gratitude to our stakeholders for supporting us on our journey to build a better future for our people, communities, and the environment.

**Nicholas Chua**

*Chief Executive Officer*

1 The Board reviews key sustainability matters, including determining material ESG factors and initiatives, quarterly. The Management also briefs the Board on sustainability matters, emerging trends, and Ho Bee’s ESG performances during quarterly board updates. In FY2023, ESG matters reviewed by the Board include green building retrofit efforts for key properties in Singapore and the United Kingdom, as well as material ESG factors.

2 We are able to obtain green loans with lower interest rates due to the green certifications we have obtained and are maintaining.

# FY2023 SUSTAINABILITY PERFORMANCE HIGHLIGHTS



Set short-term climate target of **18% emission reduction** by FY2026 with a baseline year of FY2023<sup>3</sup>



Developed our **1st qualitative climate scenario analysis** to help us make informed decisions around our property portfolio's climate-related risks and opportunities



Secured **£376 million** Green loan for Ropemaker Place in London, and **\$450 million** Green loan for The Metropolis in Singapore

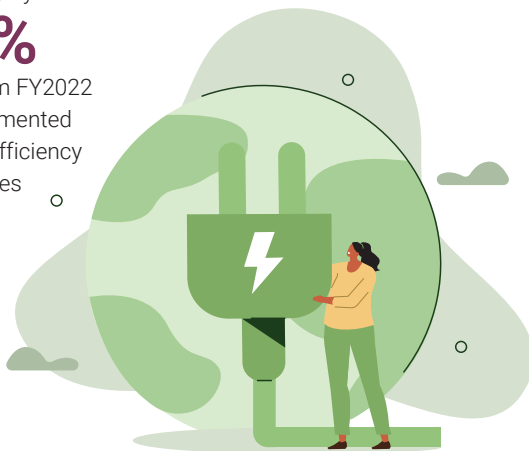


Reduced total Greenhouse Gas ("GHG") emissions by **7%**

## Reduced electricity

intensity by **15%**

in FY2023 from FY2022 as we implemented new energy efficiency initiatives



Increased average training hours per employee by **57%**

in FY2023 from FY2022



3 In setting our decarbonisation target, we reviewed Science Based Targets initiative ("SBTi"), ISO14064, ISO14068, PSA 2060: Standard for Carbon Neutrality and Race to Zero, as well as real estate peers' decarbonisation targets. We took guidance from science-based methodology to ensure that our target is comparable and able to stand up to market scrutiny. SBTi noted that an annual ~6% emissions reduction is required for a 1.5°C alignment for science-based targets from baseline year of 2023. Our target of 18% from FY2023 to FY2026 translates to an annual reduction rate of about ~6%.

# SUSTAINABILITY REPORT

## ABOUT THIS REPORT

Ho Bee Land (“Ho Bee” or the “Company”) has developed annual sustainability reports since 2017. We are pleased to present the Company’s seventh annual Sustainability Report (the “Report”) for the financial year 1 January 2023 till 31 December 2023 (the “FY2023” or “reporting period”).

This Report covers the Company’s environmental, social and governance (“ESG”) strategies, initiatives, and performance that are material to our operations and stakeholders<sup>4,5</sup>. All ESG data are focused on our operations in Singapore, where Ho Bee is headquartered, and key investment properties in London, United Kingdom unless otherwise stated. The four investment properties in the Report are:

1. The Metropolis, Singapore
2. 1 St Martin’s Le Grand, UK
3. Ropemaker Place, UK
4. The Scalpel, UK

Ho Bee also reviewed our remaining investment properties in London and concluded that they do not materially impact our ESG performance and will be excluded

from our current reporting scope<sup>6</sup>. We will continue to monitor these properties and include them when they become material.

## GRI AND TCFD

The sustainability practices described within this Report are with reference to the primary components set out in Listing Rule 711A and 711B on a “comply or explain” basis. We continue to reference the Global Reporting Initiative Sustainability Reporting Standards (“GRI Standards 2021”) in the disclosure regarding our sustainability practices and material ESG factors. Please refer to the GRI Content Index on page (insert page number) of this Report for further information on the relevant references.

In view of SGX’s recommendation on enhanced disclosures on climate-related information, which was released in 2021, we also present our approach to climate-related governance, strategy, risk management, metrics, and targets, with reference to the TCFD recommendations.

The Company continues to align the material ESG factors identified to relevant United Nations Sustainability Development

Goals (“SDGs”). We hope to contribute to a better and more sustainable future for all through this shared blueprint towards the 2030 Agenda for Sustainable Development.

This Report is published annually as part of our reporting to Shareholders. It is also available on our website at [www.hobee.com](http://www.hobee.com)

We welcome feedback from our stakeholders as we continuously improve our sustainability performance, reporting, and progress in our sustainability journey.

## SUSTAINABILITY AT HO BEE LAND

Our sustainability mission is supported by five pillars (collectively known as our “sustainability strategy”): Enhancing Economic Value, Contributing to a Sustainable Environment, Developing our People, Enriching our Communities, and Strengthening Corporate Governance.

### Our Mission

We recognise that the success of our business is inextricably linked to the progress of our people, the communities we live and work in, and the environment. We



Figure 1: Ho Bee Land’s commitment to sustainability across five pillars

4 In determining the scope of this Report, we review all entities and properties accounted for in our consolidated financial statements. We have included material entities and properties in this Report. See footnote 5 for explanation on land parcels and 6 for explanations on investment properties excluded in this report.

5 Our land parcels in Australia are developed by third-party contractors. We will review and disclose material ESG disclosures, including Scope 3 emissions from third-party contractors, in due course.

6 Our other investment properties are 67 Lombard St, 110 Park St, 60 St Martin Lane, Apollo House, Lunar House, and 39 Victoria Street. These properties have been excluded as their projected emissions comprise less than 5% of the portfolio by carbon emissions based on electricity consumption. Some of these properties are also leased to single occupiers who take charge of the building management directly and Ho Bee Land has no operational control.

# SUSTAINABILITY REPORT

remain cognisant of our activities' social, ethical, and environmental impacts.

## Our Sustainability Governance

The Board drives the overall direction of Ho Bee Land's sustainability strategy. The Board reviews and incorporates sustainability matters into the business and financial decision-making process and determines and oversees the management and monitoring of ESG factors material to the business. To drive the Company's sustainability strategy, the Board has participated in interactive capacity building and discussion sessions on emerging reporting standards and ESG risks and opportunities.

The Board has recently strengthened its sustainability governance structure. It approved the establishment of a Board Sustainability Committee comprising four Independent Directors to oversee the Company's ESG strategy and initiatives, as well as climate-related risks and opportunities. The Board also developed Terms of Reference, outlining its roles and responsibilities to manage and monitor ESG matters.

The Sustainability Team supports the Board. The Sustainability Team is responsible for driving organisation-wide sustainability initiatives holistically. This includes implementing and formalising sustainability policies and procedures, management

processes, and sustainability development standards. The Team is also responsible for ensuring the Board Sustainability Committee is regularly updated on Ho Bee's sustainability progress.

The Sustainability Team works closely with Ho Bee's Operations Committee, comprising representatives from Human Resources, Projects, Marketing, Facilities Management, Corporate, and Finance departments. The Committee supports Ho Bee's efforts in driving sustainability-related efforts, implementing sustainability objectives and strategy, and managing and monitoring overall sustainability performance.









Figure 2: Ho Bee Land's sustainability governance structure

# SUSTAINABILITY REPORT

## Stakeholder Engagement

We believe that regular and meaningful stakeholder engagements will only strengthen our sustainability strategy. We have listed the diverse groups of stakeholders that we communicate with across FY2023, and the key areas discussed in the table below.

We engage our stakeholders through various means of communication channels. These include meetings, reviews, discussions, and calls. In FY2023, we continued to have frequent engagement with our stakeholders, allowing us to build stronger relationships and be more effective in our decision-making process.

STAKEHOLDERS	KEY TOPICS RAISED	ENGAGEMENT PLATFORMS	FREQUENCY
<b>Investors and Shareholders</b> 	<ul style="list-style-type: none"> <li>Long-term value creation</li> <li>Strategy for growth</li> <li>Sustain profitability and enhance shareholder return</li> <li>Transparent reporting</li> <li>Sound corporate governance practices</li> <li>Active portfolio management</li> </ul>	<ul style="list-style-type: none"> <li>Investor meetings</li> <li>Singapore Exchange announcements and press releases on our corporate website</li> <li>Email and phone channels</li> <li>Annual General Meeting</li> </ul>	Throughout the year  Annually
<b>Customers (Tenants)</b> 	<ul style="list-style-type: none"> <li>Lease terms and facilities management</li> <li>Responsiveness to requests and feedback of tenants</li> <li>Data Privacy</li> </ul>	<ul style="list-style-type: none"> <li>Tenant meetings and feedback sessions to exchange ideas and updates on important initiatives and matters</li> <li>Established enquiry communication channels (email or phone calls) for tenants and property-related issues</li> </ul>	Throughout the year
<b>Employees</b> 	<ul style="list-style-type: none"> <li>Equitable remuneration</li> <li>Fair and competitive employment practices and policies</li> <li>Safe and healthy work environment</li> <li>Focus on employee development and well-being</li> <li>Performance</li> <li>High talent retention and career advancement</li> </ul>	<ul style="list-style-type: none"> <li>Training and development</li> <li>Recreational and wellness activities</li> <li>Regular e-mails and meetings</li> <li>Induction programme to cultivate coaching, learning, and development of our new employees</li> <li>Performance appraisals</li> </ul>	Throughout the year  Annually
<b>Communities</b> 	<ul style="list-style-type: none"> <li>Environmental and social impact</li> <li>Responsible and ethical business practices</li> <li>Contributions to communities</li> </ul>	<ul style="list-style-type: none"> <li>Corporate volunteering</li> <li>Corporate giving and philanthropic activities through Ho Bee Foundation</li> </ul>	Throughout the year
<b>Government and Regulators</b> 	<ul style="list-style-type: none"> <li>Environmental compliance</li> <li>Labour standard compliance</li> <li>Regulatory and SGX listing requirements</li> </ul>	<ul style="list-style-type: none"> <li>On-site inspections</li> <li>Meetings and dialogue sessions</li> <li>Membership in industry associations</li> <li>Regulatory filings</li> </ul>	Throughout the year
<b>Business Partners and Suppliers</b> 	<ul style="list-style-type: none"> <li>Equitable treatment of business partners</li> <li>Regular and punctual payments</li> </ul>	<ul style="list-style-type: none"> <li>Supplier assessments for main property development suppliers</li> <li>Regular dialogue sessions with service providers and property managers</li> <li>Established channels of communication</li> </ul>	Throughout the year



# SUSTAINABILITY REPORT

## Memberships and External Initiatives

- ✓ Real Estate Developers' Association of Singapore (REDAS)
- ✓ Singapore Chinese Chamber of Commerce and Industry (SCCCI)
- ✓ Singapore Business Federation (SBF)
- ✓ Securities Investors Association Singapore (SIAS) (pledge)

## Materiality Assessment (GRI 3-1, GRI 3-2)

We adopt a four-step approach to evaluate material ESG factors, based on the guidelines on GRI Materiality Standards and Principles. We review our material ESG factors on a yearly basis. In FY2023, we conducted a review of our ESG factors based on the approach outlined in the illustration below, considering global and sectoral ESG trends and issues raised by our stakeholders.

We concluded that all our existing material ESG factors are still relevant to our business, as well as our internal and external stakeholders. We have 13 material topics under the five pillars as shown in Figure 4. We continue to align our ESG efforts with 12 of the United Nations Sustainable Development Goals (SDGs). The finalised material ESG factors were reviewed and validated by the Board in the reporting year.

## Materiality Matrix

Based on the materiality assessment conducted in FY2023<sup>8</sup>, we noted the importance of environmental ESG factors to our stakeholders and the environmental impact on our business. We will prioritise these key areas. We will also continue to maintain good corporate governance and our support for our people and local communities.

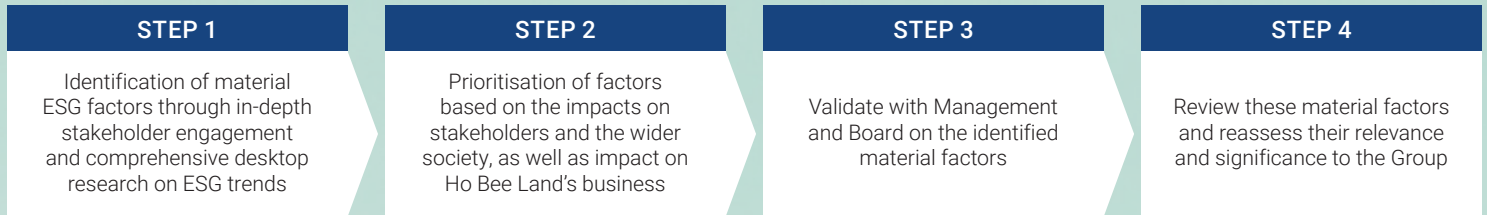


Figure 3: Ho Bee Land's materiality assessment approach

ENVIRONMENT	SOCIAL		GOVERNANCE	
<p>Contributing to a Sustainable Environment</p>	<p>Developing Our People</p>	<p>Enriching Our Communities</p>	<p>Enhancing Economic Value</p>	<p>Strengthening Corporate Governance</p>
<ol style="list-style-type: none"> <li>Greenhouse Gas Emission</li> <li>Energy</li> <li>Water</li> <li>Waste</li> </ol>	<ol style="list-style-type: none"> <li>Employment</li> <li>Diversity and Equal Opportunity</li> <li>Training and Development</li> <li>Occupational Health and Safety</li> </ol>	<ol style="list-style-type: none"> <li>Local Communities</li> </ol>	<ol style="list-style-type: none"> <li>Economic Performance</li> </ol>	<ol style="list-style-type: none"> <li>Business Ethics, Compliance and Good Governance</li> <li>Customer Health and Safety</li> <li>Customer Privacy</li> </ol>

Figure 4: Ho Bee Land's materiality matrix

7 The built environment makes up almost 40% of global emissions. As a leading real estate developer and investor, we are cognisant of our role and responsibility to proactively decarbonise and support the transition of our industry to a more sustainable one.

8 Impact to stakeholders represent topics and sustainability trends that are important to stakeholders. Impact on Ho Bee's business represents topics that we feel will impact our business.

# SUSTAINABILITY REPORT

## CONTRIBUTING TO A SUSTAINABLE ENVIRONMENT

### Greenhouse Gas Emissions (GRI 305-1, 305-2, 305-4)

In 2023, the Intergovernmental Panel on Climate Change (“IPCC”) Working Group’s Synthesis Report for the Sixth Assessment Report<sup>9</sup> noted the catastrophic threat of climate change to people and planet. There is a need for rapid and sustained mitigation efforts and an accelerated implementation of adaptation actions to limit the damage caused by climate change. We recognise our role as a real estate developer and investor and are making efforts to decarbonise and support the transition of our sector to a more sustainable one.

In FY2022, we published our inaugural TCFD report, which included a preliminary assessment of our climate-related risks and opportunities. In FY2023, we further strengthened our TCFD disclosures and conducted our first qualitative climate scenario analysis of our portfolio to map out the potential business and financial implications of climate change and our mitigation efforts to effectively adapt against climate risks.

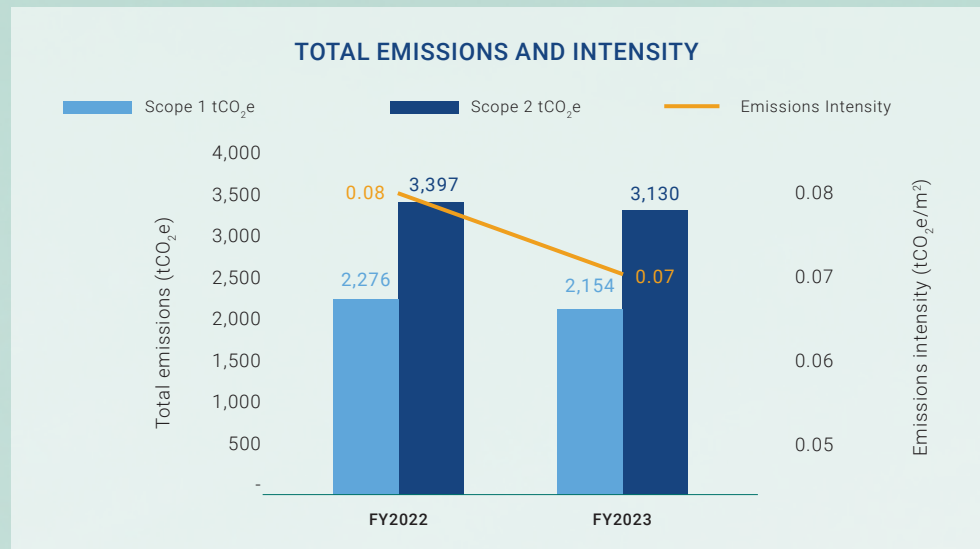
In FY2023, we reviewed our Scope 1 and 2 emissions and set decarbonisation targets. We have developed a short-term target to achieve an 18% reduction in GHG emissions (Scope 1 and 2) by FY2026 with FY2023 as our baseline year.

Our approach to develop our decarbonisation target involved a rigorous and comprehensive review of globally recognised GHG methodologies and market practices<sup>10</sup>. We took guidance from science-based methodology as it provides a foundation to ensure our target set is comparable and able to stand up to market scrutiny. SBTi noted that an annual ~6% emissions reduction is required for a 1.5°C alignment for science-based targets from a baseline year of 2023. We have set our target of 18% from FY2023 to FY2026, which translates to an annual reduction rate of above ~6%<sup>11</sup>.

We also conducted wide-ranging discussions with our engineering teams

and building managers to review and assess the current state of our properties. This provided us with a comprehensive overview of feasible decarbonisation actions we can take to reduce our emissions. We considered both technical feasibility and financial practicality of available decarbonisation solutions in designing our target.

Following from the exercise performed as detailed above, we developed our short-term decarbonisation target for FY2026. We are currently in the process of setting a medium-term decarbonisation target to FY2030<sup>12</sup>. Our short- and medium-term targets are meant to support our long-term aim to achieve net-zero by 2050.



<sup>9</sup> <https://www.ipcc.ch/report/ar6/syr/resources/spm-headline-statements>

<sup>10</sup> Our scope of review includes Science Based Targets initiative (“SBTi”), ISO14064, ISO14068, PSA 2060: Standard for Carbon Neutrality and Race to Zero, as well as real estate peers’ decarbonisation targets.

<sup>11</sup> In reference to SBTi’s guidance, we did not include other investment properties in London as the projected emissions were less than 5% of total Scope 1 and 2 emissions.

<sup>12</sup> In FY2025, our new property Elementum would likely be fully operational, and we will disclose its emissions. We will review our decarbonisation performance and target setting accordingly. For clarity, all material investment properties will be included in our medium-term target.

# SUSTAINABILITY REPORT

In FY2023, our total emissions are 5,284 tCO<sub>2</sub>e (scope 1 and scope 2), representing a 7% decrease from FY2022. The emission intensity for FY2023 is 0.07 tCO<sub>2</sub>e/m<sup>2</sup>, down from 0.08 tCO<sub>2</sub>e/m<sup>2</sup> in FY2022<sup>13,14,15</sup>. This was largely driven by energy efficiency efforts implemented across our properties, especially in relation to electricity consumption.

While our electricity consumption decreased significantly and contributed to overall lower emissions, fuel consumption (diesel and natural gas) increased due to colder winter experienced in London in 2023.

In the following years, we plan to implement the following decarbonisation initiatives to reduce our emissions and meet our short-term target:

1. Switch to LED lights from fluorescent lighting;
2. Optimise air handling unit ("AHU");
3. Optimise air change per hour for mechanical ventilation systems;
4. Use reflective paint on building rooftops;
5. Build solar panels where feasible;
6. Review the efficiency of current boilers and heating systems, and install high-efficient water source heat pumps ("WSHP") where feasible.

We will continue to extend the measurement of scope 1 and 2 emissions to other properties and assess their materiality to be included in our GHG target<sup>16</sup>.

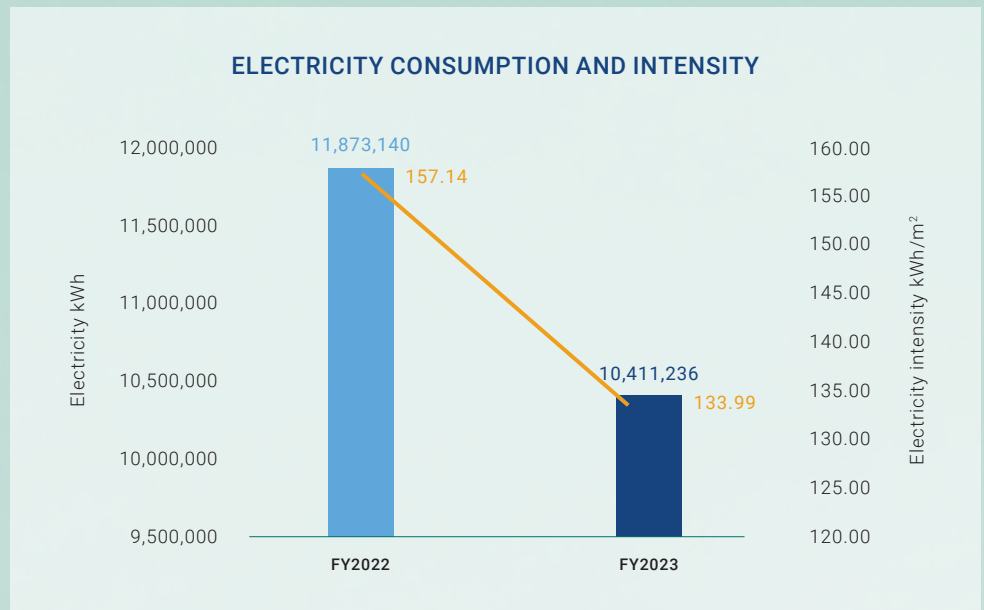
## Energy (GRI 302-1, 302-3, 302-4)

We are consistently looking for ways to reduce our energy consumption, which includes fuel and electricity consumption and improve our usage efficiency. Effective management of our energy consumption will reduce the negative impact on the environment and improve our economic performance through lower operating costs.

In FY2023, the total diesel consumption was 14,538 litres, up 245% from FY2022 due to a power outage at The Metropolis which required diesel to fuel the back-up

generators. Natural gas consumption in FY2023 was 1,037,838 m<sup>3</sup>, which was 15% greater than in FY2022. This was largely due to more extreme temperatures in the winter months in UK, which required more fuel for the boilers. However, the total loss of refrigerant in air-conditioning systems decreased to almost zero, a 100% decrease from FY2022, which helped in reducing the overall Scope 1 emissions by 5% in FY2023.

Our total electricity consumption for FY2023 is 10,411,236 kWh, down 12% from FY2022<sup>17</sup>. This is due to the various initiatives in place to reduce our electricity consumption and improve our performance.



13 We use operational control approach in accordance with the GHG Protocol Corporate Standards in calculating our GHG emissions (Scope 1 and 2). Our Scope 1 includes emissions from the consumption of fuel (diesel, natural gas) and refrigerants from our operations in our owned properties. Our Scope 2 includes emissions from purchased electricity from our operations in our owned properties. All emission factors are derived from UK's Department for Environment, Food & Rural Affairs ("DEFRA") and Energy Market Authority of Singapore.

14 FY2022's emissions (Scope 1 and 2) were restated due to adjustment of emission factors for fuel to reflect the source of fuel accurately based on UK's Department for Environment, Food & Rural Affairs ("DEFRA") emission factor database, and to account for the change to the grid emission factor published by the Energy Market Authority of Singapore recently. The difference between total emissions stated in FY2022 Sustainability Report and our current data is 0.7%.

15 The Scalpel was only acquired in March 2022. However, the full year data from The Scalpel was used in the intensity calculation. This is because the intensity is defined as total emission in one year divided by GFA.

16 In accordance with GHG and financial accounting best practices, we define materiality as 5% of total emissions.

17 The Scalpel was only acquired in March 2022 but for the purposes of ensuring intensity figures reflected are accurate and comparable, in the calculation of intensity, total electricity consumption included full-year data (January 2022 to December 2022) from The Scalpel for FY2022. The intensity data for FY2022 was also restated due to recalculation of the gross floor area ("GFA") to accurately reflect the common areas (vs. tenant's areas) of our properties at 77,704 m<sup>2</sup>, compared to the previous calculation of 88,311 m<sup>2</sup>.

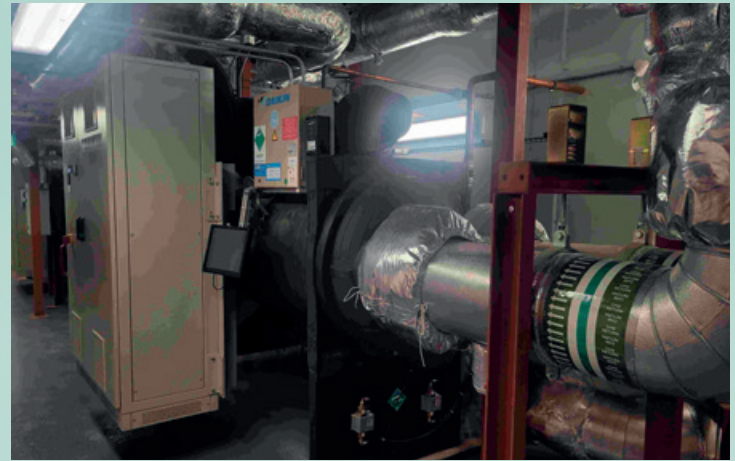
# SUSTAINABILITY REPORT

INVESTMENT PROPERTIES	ENERGY EFFICIENCY/ CLEAN ENERGY INITIATIVES PUT IN PLACE
The Metropolis	<p>The Metropolis is a Green Mark Platinum certified building.</p> <p>Innovative building design</p> <ul style="list-style-type: none"> <li>• Solar photovoltaic panel to harness sunlight and generate clean, renewable energy</li> <li>• Sun shading fins and double-glazed low-e glass on windows</li> <li>• Photocell sensors along the perimeter of the building to regulate lighting (photocell sensors will turn off lighting if there is sufficient daylighting at the perimeter)</li> </ul> <p>Energy efficiency features</p> <ul style="list-style-type: none"> <li>• Energy-efficient lighting system and LED lighting to replace fluorescent lighting in staircases</li> <li>• Motion sensors in lavatories and stairwells</li> <li>• Variable voltage variable frequency lifts and escalators which are also equipped with sleep mode feature</li> <li>• Energy-efficient chiller plant with a system efficiency of 0.54 kW/RT and auto tube cleaning system</li> <li>• Carparks are equipped with CO sensors, which control and optimise the usage of carpark fans</li> <li>• AHU optimisation to further reduce electricity consumption</li> </ul>
1 St Martin's Le Grand	<p>The property has benefited from a number of Sustainability and M&amp;E modifications over the subsequent years, including:</p> <ul style="list-style-type: none"> <li>• Replacement of common areas lighting with energy efficient LEDs</li> <li>• Passive Infrared Sensor (PIR) motion sensors to staircases for lighting control</li> <li>• Upgrade of the Building Management System (BMS)</li> </ul> <p>The property has been slated for redevelopment where further modifications will be made to improve its sustainability performance.</p>
Ropemaker Place	<p>Ropemaker Place was awarded "Excellent" BREEAM (Building Research Establishment Environmental Assessment Method) In-Construction and was the first building in the City of London to achieve a LEED (Leadership in Energy and Environmental Design) Platinum pre-certification for sustainability.</p> <p>Innovative building design</p> <ul style="list-style-type: none"> <li>• Projecting windows reduce average annual energy consumption for cooling by up to 27% compared to a flat façade</li> <li>• Heating and hot water system use passive design and renewable energy systems</li> <li>• Heat is provided by a biomass boiler and dual fuel boilers located within the basement, which are exclusively run on natural gas. The biomass boiler runs off ethically sourced wood pellets.</li> <li>• Installation of BMS for optimisation and water source heat pump</li> <li>• Installation of LED lights and use of solar to reduce electricity consumption</li> </ul>
The Scalpel	<p>The Scalpel was classified as BREEAM "Excellent" – New Construction and has achieved Energy Performance Certificate rating of B.</p> <p>Innovative building design</p> <ul style="list-style-type: none"> <li>• Offset the building's core to the south, providing more shade from the midday sun, thereby decreasing load on AC systems.</li> <li>• High performance façade</li> <li>• Solar Photovoltaic panels to harness sunlight and generate clean, renewable energy.</li> </ul> <p>Energy efficiency features</p> <ul style="list-style-type: none"> <li>• High performance glazing to control solar gains and reduce heat loss</li> <li>• Energy efficient LED lighting</li> <li>• Daylight sensors and presence detection on internal lighting</li> <li>• Heat recovery on AHUs</li> <li>• Variable speed, electronic controlled DC fan coil units</li> <li>• Sub metering for all energy services</li> <li>• Reduced energy lift installation</li> </ul>

# SUSTAINABILITY REPORT











Photovoltaics (PV) panels on Ropemaker's rooftop provides solar energy into the building which is used in the common areas, keeping electricity supply costs down. In 2023, the PV output has increased by 155% as a result of the additional PV panels installed.



High-performance water-cooled chillers in The Scalpel provide more than 50% energy savings as compared to traditional air-cooled chillers. We will continue to review our energy performance measures and find opportunities to improve our performance and advocate for a low-carbon future.

## Water (GRI 303-5)

Water is essential to every business, and we regularly monitor our water consumption levels. We have adopted water reduction and conservation initiatives across our properties to do our part to use water responsibly. Some of our water conservation initiatives are given below:

<p>Introducing usage discipline at all our properties and offices to promote water conservation awareness among employees via educational posters and briefings</p> 	<p>Private water meters will be installed to monitor rainwater harvested, water consumption, and to detect water leakages</p> 	<p>Automatic water-efficient drip irrigation system</p> 	<p>Collection of water from condensation of air-conditioners</p> 
<p>Certified water fittings under the Public Utilities Board's "Excellent" and "Very Good" Water Efficiency Labelling Scheme ("WELS") rating</p> 	<p>Pre-fitted tanks installed to harvest rainwater which is used for the auto-irrigation system</p> 	<p>NEWater used as makeup water for the cooling tower</p> 	<p>Sensors have been installed to stop the irrigation system during periods of rainfall</p> 

# SUSTAINABILITY REPORT

At Ho Bee, water is sourced from local public water authorities. For our water saving initiatives in FY2023, The Metropolis was selected by the Public Utilities Board (PUB) to receive the Water Efficiency Awards 2024. This is a biennial award recognising companies which have shown exemplary water efficiency performance in their respective sectors.

In the UK, Ropemaker Place has a rainwater harvesting tank on the green roof that can attenuate up to 70% of the rainwater that falls on it. Solar hot water panels on the rooftop also provide preheated water to calorifiers located on the cores on each floor to reduce the hot water load. Wastewater from cooling towers and harvested rainwater is also used to flush WCs.

The total water consumption for FY2023 is 45,085 m<sup>3</sup> representing a 21% decrease from FY2022<sup>18,19</sup>. This stems from our implementation of robust water-conservation initiatives that have been put in place in 2023 specially for Metropolis. The water intensity for FY2023 is 0.58 m<sup>3</sup>/m<sup>2</sup>. We will continue to closely manage our water consumption, explore water efficiency solutions, and strengthen water conservation awareness among our employees and tenants.



Water saving initiatives at The Metropolis (left) Harvesting of rainwater for landscape irrigation with rainwater sensor installed to regulate the irrigation system. (right) Recycling of aircon condensate water with meter installed and connected to Building Management system to track the recycling amount.

## Waste (GRI 306-1, 306-2, 306-3, 306-4, 306-5)

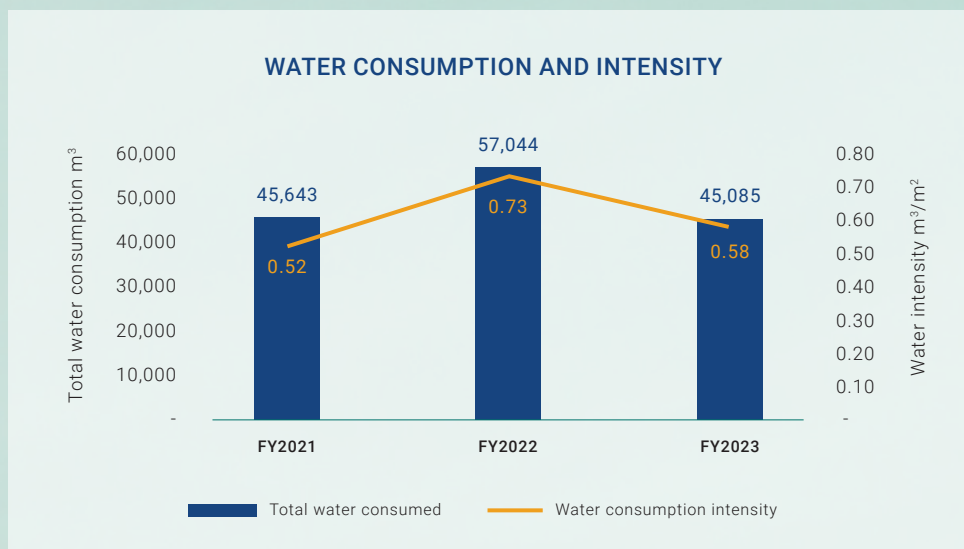
The built environment is responsible for one third of the world's waste as a significant tonnage of raw materials will be needed for buildings and construction. Annually, buildings account for about 39% of the energy-related carbon emissions globally.

Since FY2022, Ho Bee has started disclosing waste as a material topic and

collected data on waste generation across our four key investment properties. Total waste generated in FY2023 is 1,371,000 kg and it has increased by 12% as compared to FY2022.

Although total waste generated increased in FY2023, most of our waste was recycled waste. Our recycled waste increased by 47% while non-recycled waste decreased 9% in FY2023 from FY2022. This uptick in recycled waste can be largely attributed to the robust waste collection processes in our properties, for example Ropemaker started collecting and reporting data on Nespresso pods and printer ink toners. Additionally, the waste data for The Scalpel in 2023 represents a full year's worth, contrasting with only nine months' worth of data in 2022 due to its acquisition in March of that year. Our concerted recycling efforts in Singapore and the UK have also borne fruit, resulting in the significant increase in recycled waste.

Our non-recyclable waste is sent for incineration while we recycle our paper, plastic, metal, electronic and glass waste. In our London properties, our food waste is sent for anaerobic digestion which helps to generate biogas and high-quality compost. We are actively strengthening our waste management efforts by exploring policies



18 The Scalpel was only acquired in March 2022 but for the purposes of ensuring intensity figures reflected are accurate and comparable, in the calculation of intensity, total water consumption included full-year data (January 2022 to December 2022) from The Scalpel for FY2022. The intensity data for FY2022 was also restated due to recalculation of the gross floor area ("GFA") to accurately reflect the common areas (vs. tenant's areas) of our properties at 77,704 m<sup>2</sup>, compared to the previous calculation of 88,311 m<sup>2</sup>.

19 Due to faulty water meters at The Metropolis in FY2022, this resulted in us being unable to accurately capture the total water consumed. The faulty meters have since been replaced by the relevant authorities.

# SUSTAINABILITY REPORT

and practices that reduce waste production, support proper disposal methods, and encourage both recycling and upcycling practices among our stakeholders.

In 2023, Ho Bee introduced an e-waste recycling bin at basement one of The Metropolis to make it convenient for our tenants and employees to recycle their electrical and electronic waste. The addition of this recycling bin, together with the existing recycling bins for the collection of plastics, cans, paper, and lamps or light tubes help to encourage waste minimisation and nurture recycling habits among our tenants and employees.

Moving forward, we will implement more recycling programmes and explore innovative ways to raise awareness and reduce waste generation among our employees and tenants.

## DEVELOPING OUR PEOPLE

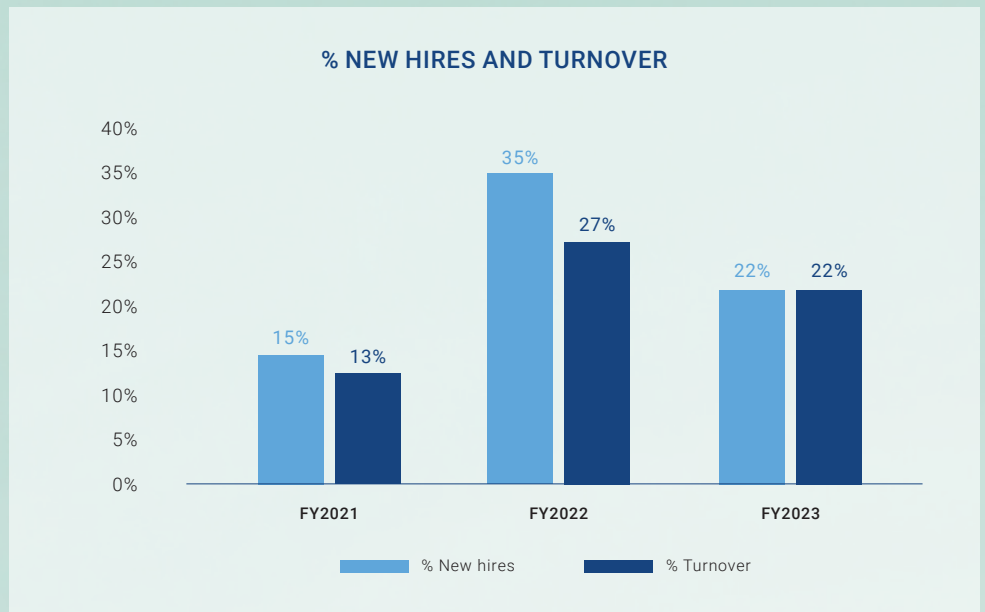
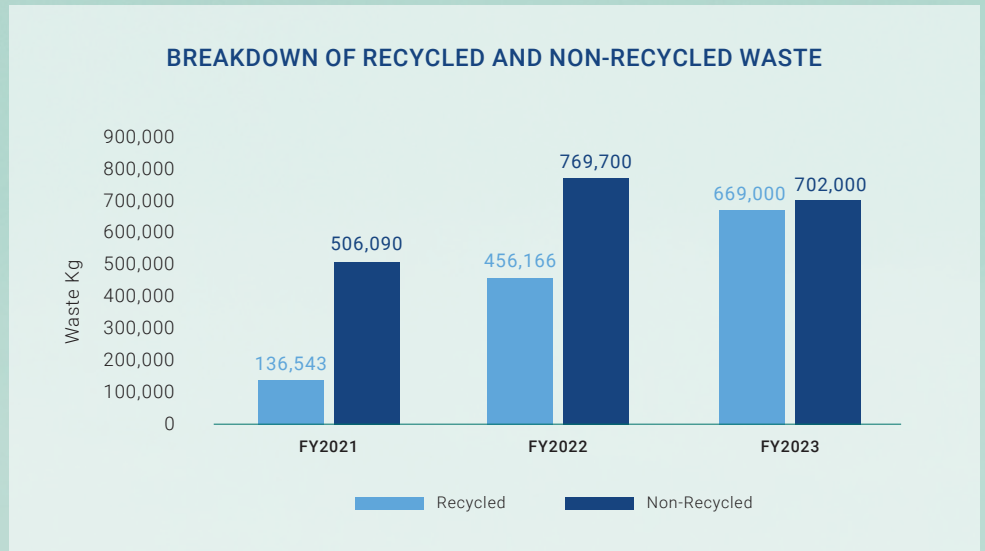
### Employment

(GRI 401-1, 401-2, 401-3)

We strongly believe that our employees' well-being is instrumental in sustaining our Company's continued growth and advancement. While treating our incumbent employees fairly with equitable remuneration and benefits, we are always actively searching for new talent that can help the Company develop in new directions and drive improvement.

Ho Bee Land's diverse workforce with a wide range of expertise has contributed to the growth of the Company. Our inclusive recruitment procedure abides by the Tripartite guidelines on fair employment practices, where we do not discriminate based on gender, ethnicity, religion, or age. We hire people based on merit, and use a combination of competitive compensation package and benefits, positive engagement, and an emphasis on human capital development to spur and retain talent.

We maintained a stable workforce in FY2023 and recorded a lower turnover rate in FY2023. We will continue to reinforce our culture and identity by enhancing our employee experience, welfare, and benefits to draw in new hires and retain talents.



# SUSTAINABILITY REPORT



*Ho Bee Land's company outing to Bird Paradise together with employees and their family members.*

In FY2023, we embarked on new staff initiatives to engage our employees and highlight the importance of their well-being. This includes the weekly healthy Fruits Day and providing healthy meals to staff during in-house trainings and lunch meetings. We have also resumed organising outdoor activities for staff, such as outing to the Bird Paradise in Mandai and taking part in the SGX's Bull Charge charity run 2023, to encourage staff bonding and an active lifestyle.

## Employee Welfare and Benefits

We adhere to all applicable statutory guidelines concerning employment in Singapore. Additionally, we ensure that our employees have comprehensive medical coverage, including general and specialist consultation treatment, dental care, traditional Chinese medicine treatment, hospitalisation, surgery, and personal accident, in light of the growing medical expenses. Furthermore, health screening is highly subsidised for employees. We maintain our competitiveness in remunerating our employees by rewarding them with variable bonuses and yearly wage increase.

## Human Rights

Beyond adherence to the Ministry of Manpower's employment regulations, we are committed to protecting the human rights of our people. We also uphold human rights policies by treating our employees fairly with equitable remuneration and benefits.

In markets with statutory minimum wages, the Company complies with statutory and regulatory legislations. This continues to be a contributing aspect to the Company's success and growth as we believe that maintaining our expansions in new directions



*Ho Bee staff joining in the SGX Cares Bull Charge Charity Run 2023. This event raised over S\$2.5 million for beneficiaries such as Autism Association (Singapore), AWWA Ltd, Fei Yue Community Services, HCSA Community Services, and Shared Services for Charities.*



*Staff are encouraged to volunteer for various meaningful community activities together, such as the Ren Ci Hospital annual Charity Food Fiesta 2023.*



# SUSTAINABILITY REPORT

and fostering improvements are heavily dependent on having an efficient and driven workforce. Looking forward, we will continue to stay abreast of the regional and international advancements in this area and assess our internal procedures accordingly to ensure they remain relevant.

## Diversity and Equal Opportunity (GRI 405-1)

We embrace diversity at Ho Bee Land, believing in inclusion, fostering creativity, innovation, and a broader range of perspectives within the Company. It enhances employee engagement, attracts talents, and reflects positively for the Company. The individual strengths of employees and the potential they bring are valuable to the Company and creates a workplace that has a fair and transparent work culture. We believe that having a diversified pool of employees from different backgrounds, regardless of race, age,

religion, and cultural background, brings different benefits to our organisation.

Diversity and inclusivity are important contributors to a healthy workplace as a diverse workforce enriches our organisation with a broad range of talents, knowledge, and skills.

Employee retention is significantly and favorably impacted by an inclusive workplace that recognises and respects the needs of its employees.

In the recruitment process, diversity and inclusivity shall remain as key priorities as we grow the Company's operations.

## Training and Development (GRI 404-1, 404-3)

Learning and development (L&D) for employees is crucial in fostering skilled and knowledgeable workforce. Continuous

education enhances employees' knowledge, ensuring they stay abreast of industry trends and demands. L&D boosts morale, as individuals feel valued when organizations invest in their professional growth. Moreover, ongoing training develops expertise, improving job performance and efficiency. This commitment to learning also enhances adaptability, enabling employees to navigate evolving work environments. Ultimately, a learning culture benefits individuals and propels organisations forward, fostering innovation, resilience, and a competitive edge.

We have implemented a variety of employee training initiatives that centre on developing different skillsets and upskilling them in anticipation of their future roles and responsibilities. Additionally, we offer selective pre-employment, onboarding, and workplace training.

We continuously make investments in our people and provide abundant professional and personal development opportunities. We personalise and adjust experiences based on departments, skillsets, and other variables to achieve our goal of attaining 100% employee training participation. We also increased the number of in-house and online training workshops and courses to better accommodate the work schedules of our employees. Some of the courses attended by our employees in FY2023 include:

- 'Introduction to Sustainability – All Staff': This training was provided to all our staff members in FY2023. While all of our employees are typically not responsible for developing sustainability initiatives, they may be involved in implementing them in their respective work areas. Therefore, providing an overview of sustainability helps our employees become aware of, and adopt more sustainable practices.
- 'Deep Dive into Sustainability for HBL – Managers': This training is provided to employees who are responsible for developing and driving sustainability initiatives to meet the sustainable goals or targets set by the Company. Through this training, they are aware of their responsibility for establishing policies and procedures to manage risks or

GRI 405-1: DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES	FY2021	FY2022	FY2023
<b>DIVERSITY WITHIN HO BEE'S GOVERNANCE BODY (BOARD OF DIRECTORS) – BY GENDER</b>			
Male	78%	78%	78%
Female	22%	22%	22%
<b>DIVERSITY WITHIN HO BEE'S GOVERNANCE BODY (BOARD OF DIRECTORS) – BY AGE GROUP</b>			
Under 30	0%	0%	0%
30 – 50	11%	11%	11%
Over 50	89%	89%	89%
<b>DIVERSITY WITHIN HO BEE'S EMPLOYEES – BY GENDER</b>			
Male	42%	37%	44%
Female	58%	63%	56%
<b>DIVERSITY WITHIN HO BEE'S EMPLOYEES – BY AGE GROUP</b>			
Under 30	2%	2%	4%
30 – 50	56%	67%	68%
Over 50	42%	31%	28%
<b>DIVERSITY WITHIN HO BEE'S EMPLOYEES – BY EMPLOYEE CATEGORY</b>			
Manager	31%	41%	40%
Non-Manager	69%	59%	60%

# SUSTAINABILITY REPORT

drive performance, and also ensure that there are systems in place to measure and track risk or performance.

In FY2023, we have recorded a 57% increase in average training hours per employee compared to the previous year.

Building equitable competencies, bolstering networks, and instilling a sense of belonging are critical tasks for our staff. As such, we have exceeded our FY2023 goal of offering an average of 16 training hours per employee and all Singapore employees will be able to participate in these learning and development programmes.

## Career Development and Performance Review

Every year, the Company conducts a professional performance review to offer feedback and assist with our employees' career development. This procedure also involves the Company's directors and senior management. Adequate professional trainings are conducted to level-up our staff's competencies and professional knowledge.

In FY2023, we have applied for skills upgrading and career conversion programmes for our employees and started in-house group trainings for relevant skills. 100% of our employees have received regular performance and career development reviews.

## Occupational Health and Safety

(GRI 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10)

We are committed to providing a healthy, safe and secure work environment for our employees, contractors, business partners, and visitors. In addition to complying with relevant health and safety regulations applicable to our operations, our Workplace Health and Safety Policy outlines our commitment to adhering and enforcing workplace health and safety standards. Our management team is committed to providing the necessary leadership, resources and support to establish and maintain robust workplace health and safety standards.

GRI 404-1: AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE	FY2021	FY2022	FY2023
Average training hours per employee achieved	8	14	22
PERCENTAGE OF TOTAL TRAINING HOURS – BY GENDER			
Male	42%	27%	29%
Female	58%	73%	71%
AVERAGE TRAINING HOURS TARGET PER EMPLOYEE – BY GENDER			
Male	8	10	16
Female	8	16	16

GRI 404-3: PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS	FY2021	FY2022	FY2023
Total employees receiving regular performance and career development reviews	100%	100%	100%
BY GENDER (PERCENTAGE – AS COMPARED TO THE TOTAL NUMBER OF EMPLOYEES)			
Male	42%	37%	44%
Female	58%	63%	56%
BY EMPLOYEE CATEGORY (PERCENTAGE – AS COMPARED TO THE TOTAL NUMBER OF EMPLOYEES)			
Manager	31%	41%	40%
Non-Manager	69%	59%	60%

To achieve this, we have applied the following processes:

- Integrating our Workplace Health and Safety Policy as part of the business operations;
- Identifying, assessing, and controlling hazards through regular risk assessments and appropriate control measures
- Ensuring that all employees are trained and proficient in carrying out work operations in a safe manner;
- Encouraging all employees to actively participate in identifying hazards, reporting unsafe conditions, and suggesting improvements to safety procedures;
- Reporting all incidents promptly with thorough documentation and investigation to identify root causes and prevent recurrence;
- Promoting employee physical and mental well-being through wellness

programs, access to medical services and counseling services where needed;

- Maintaining open and transparent communication channels regarding Workplace Health and Safety matters;
- Promoting a culture where employees and stakeholders can foster a shared commitment to safety and health.

Complementing our existing efforts to observe occupational health and safety measures at Ho Bee Land, BMO staff are provided with First Aid Training, Fire Evacuation Drill, and CERT Training to manage, monitor and report any specific work-related hazardous activities or situations. Employees are encouraged to feedback any work-related hazards directly to their Heads of Department and the necessary corrective measures will be taken accordingly.

We formally appointed a health and safety committee team in FY2023 to establish

# SUSTAINABILITY REPORT

a thorough OHS management system. In addition to arranging WHS talks for staff, the committee also enforces Ho Bee's safety manual and guidelines through regular staff engagement, and actively keep track of any work-related hazards that could potentially cause injury or ill health in FY2023.

We are pleased to report that we have maintained our record of having zero (0) cases of reported work-related injuries or ill health, zero (0) cases of high-consequences work-related injuries, zero (0) cases of fatalities resulting from a work-related injury or ill health, for all employees and workers.

Our goal is to keep promoting healthy work practices and a safe work environment among our employees. In addition, to give every stakeholder a better and safer environment, we engaged Safety Audit consultants to perform a risk management audit in FY2023 as well as to conduct a Workplace Safety and Health (WSH) workshop for all employees. We formulated additional relevant Health and Safety (HSE) policies under our HSE management system.

## ENRICHING OUR COMMUNITIES

### Local Communities (GRI 413-1)

As we grapple with disruptive challenges in an increasingly uncertain world, it is imperative that we do not overlook our shared responsibilities towards our local communities. We remain committed in our efforts to generate sustainable and positive social impacts, as well as forge a more inclusive society through our community engagement and investment initiatives. These initiatives include employee volunteerism and effective public-private partnerships that support some of our society's most pressing needs.

Our approach to community engagement is closely in line with Ho Bee Foundation's purpose as well as the interests and concerns of our stakeholders. Through

generous donations and holistic initiatives such as education and upskilling of skillsets, community and social welfare, health and wellness, as well as arts and culture, it can be seen that the Foundation has supported a wide range of charitable causes.

### Corporate Social Responsibility

- Actively participated in numerous "Go Green" @ one-north initiatives organised by JTC. Initiatives included the OneMillionTrees Movement, Lights Off @ one-north, Car-Free Pledge @ one-north, and Earth Day @ one-north.
- Awarded the National Arts Council's Patron of the Arts (Corporate) Award at the 40<sup>th</sup> Patron of the Arts Award Ceremony in 2023.
- Conducted 15 sessions of Arts for Kids programme in 2023 which benefitted over 470 students, and held a Christmas charity donation drive, Toys for Kids, collecting more than 1,100 items of toys and games for children from lower-income family backgrounds.
- Organised Bellevue Ripley's "Meet your Neighbour Day" in Brisbane and Unity Park's "Community Day" in Melbourne

- to foster community bonding and connections.
- Our staff participated in SGX Cares Bull Charge Charity Run 2023, the only corporate charity initiative that brings together the financial community and SGX-listed companies to support the needs of underprivileged children and families, persons with disabilities, and the elderly.



Toys for Kids



Arts for Kids

Ho Bee Land conducted Arts for Kids and Toys for Kids, collecting more than 1,100 items of toys and games for children from lower-income family backgrounds.

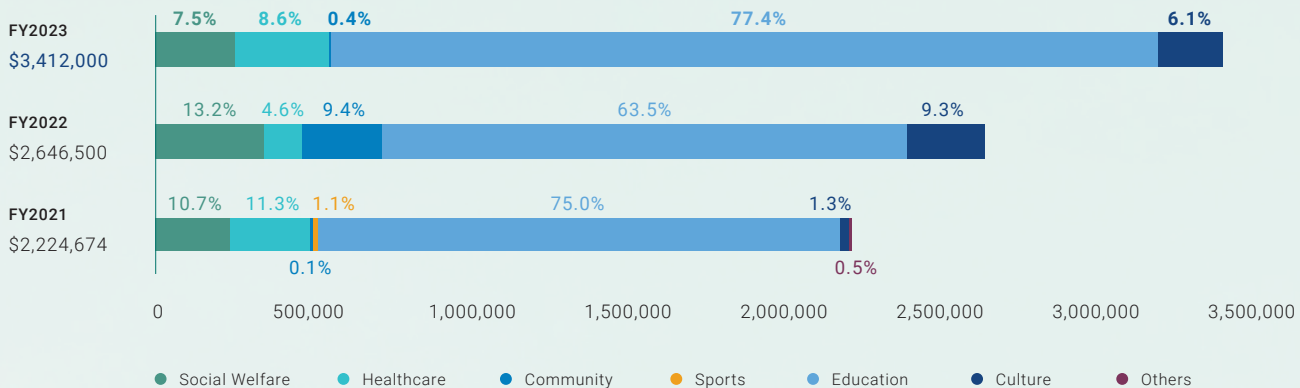
# SUSTAINABILITY REPORT



## Nature Finance Conference 2023

Ho Bee Land is the main sponsor of the Nature Finance Conference 2023, organised by SMU's Sim Kee Boon Institute for Financial Economics and Singapore Green Finance Centre. We believe that knowledge and collaboration can drive positive change, and the conference gave many insights into financing biodiversity, and the roles that public and private investors can play in nature financing, a key component in achieving our climate goals.

## CSR EXPENDITURE FOR FY2021 - 2023



In line with good governance, we exercised due diligence in evaluating every request for donation, sponsorship, or partnership. We review the track record, quality of management, and organisational governance of charities and community partners. In FY2023, we increased our CSR expenditure by S\$765,000, representing an increase of 28.9% from FY2022, demonstrating our strong commitment to our community engagement strategy.

### Engaging Our People

An integral part of our staff engagement and community impact strategy is keeping our people actively engaged in the community. We are cognizant of our employees' skills, networks and resources to empower vulnerable segments in the community, and encourage them to positively contribute to benefit our communities. Employee volunteerism not only helps

our communities, but also promotes the holistic development of our people in terms of empathy, perspective and character building.

Many of our CSR programmes mentioned above have been initiated by staff, and we will continue to encourage employee volunteerism and empower communities through inclusive volunteering programmes in the areas of Arts & Culture, Healthcare, Education, and Community & Social Welfare.

### STRENGTHENING CORPORATE GOVERNANCE

**Compliance with Laws and Regulations**  
We adhere to the highest standards of corporate governance practices as guided by the Code of Corporate Governance 2018. We also abide by all applicable laws and regulations including the listing rules and regulations set out by SGX.

Our properties are subject to environmental laws and regulations, including the Building Control ("Environmental Sustainability") Regulations administered by the BCA, as well as the Energy Conservation Act and Environment Protection and Management Act administered by the National Environment Agency ("NEA"). We continue to ensure that property managers conduct regular routine checks within the buildings for compliance with reporting requirements pertaining to the submission of environmental data. Our properties are also subject to periodic environmental audits by the local authorities.

In FY2023, the Company did not have significant instances<sup>20</sup> of non-compliance with all applicable environmental or socioeconomic laws and regulations, and we strive to maintain our overall compliance record.

<sup>20</sup> Significant instance refers to instance resulting in a fine of more than S\$10,000 or fines lesser than that but resulting in negative reputational impact.

# SUSTAINABILITY REPORT

## Business Ethics, Compliance and Good Governance (GRI 205-1, 205-2, 205-3)

At Ho Bee Land, we are committed to upholding the highest level of integrity throughout our organisation. We have a zero-tolerance approach towards corruption and misconduct, and have established several policies to promote and uphold integrity and ethics throughout our organisation, such as the Anti-Corruption and Anti-Bribery Policy, Whistleblowing Policy, and our Code of Conduct. To demonstrate our steadfast commitment to incorporating good corporate governance practices across our organisation, we have publicly pledged our commitment at the Securities Investors Association (Singapore)'s Corporate Governance Statement of Support 2023.

All our operations in Singapore and the United Kingdom have been assessed for risks related to corruption and we are pleased to report that we have maintained our record of zero incidents of corruption in FY2023.

We maintain our zero-tolerance stance against corruption and misconduct at Ho Bee. To uphold the highest standards of integrity and accountability within our internal structure, we developed and circulated policies and procedures for reporting improprieties that allow employees to voice out their concerns about the Company's activities and operations directly to the Chairman of the Audit & Risk Committee.

New employees will be briefed on Ho Bee's Code of Conduct, Anti-Bribery, Anti-Corruption and Whistleblowing Policy. All employees are required to perform an annual declaration acknowledging individual compliance with our corporate policies, as well as a declaration of any conflict of interest, which will be reviewed periodically. Regular communications are also circulated for employee awareness and compliance.

We maintained our track record of having zero (0) report on impropriety, zero (0) incidents of corruption, and zero (0) public legal cases brought against the Company in FY2023. No business partner contracts

were cancelled or not renewed as a result of corruption-related infractions. We will not let up in our efforts to make sure that our staff members behave with the utmost honesty and integrity.

### Whistle-blowing measures

The Board regularly reviews the adequacy of our whistleblowing policy to ensure that it adheres to the requirements set out in the Singapore Code of Corporate Governance 2018, with the latest revision to our whistleblowing policy being approved in 2020. The updated policy has been communicated to all employees of the Company and may be found in the Corporate Governance section on our website at [www.hobee.com](http://www.hobee.com). All new employees will be provided with a copy of the updated policy.

The whistleblowing policy provides a transparent channel for employees and external parties to report suspicions regarding possible fraud, improprieties in financial reporting, and other issues. We give our employees and external parties, such as contractors and tenants, the authority to voice concerns in good faith pertaining to misconduct, fraudulent activities, or malpractices in any matter related to the Company.

All reports must be submitted via email or postal mail to the Chairman of the Audit & Risk Committee ("ARC") to ensure fair investigations. If an allegation of corrupt conduct is received, and reports are deemed significant by the ARC Chairman after consultation with the Chairman of the Board, an investigative committee (comprising of independent members appointed by the ARC) will take necessary steps to investigate the matter. While the Company's whistleblowing policy provides a transparent channel for employees and external parties to report concerns regarding potential fraud, improprieties in financial reporting, and other matters, protecting the confidentiality and identify of the Whistleblower takes precedence, subject to the prevailing laws and regulations.

If an employee is found to have engaged in dishonest or fraudulent behavior, the ARC will make sure that proper disciplinary action

is taken, which may include terminating the employee's employment.

We work hard to maintain a spotless record free from instances of corruption and an overall compliance record with all relevant laws and regulations.

### Customer Privacy (GRI 418-1)

Ho Bee Land has a Data Protection Policy in place to ensure that all personal data collected and processed by us across the property businesses is subject to certain legal safeguards and restrictions, adhering to the strict guidelines under the Personal Data Protection Act (PDPA). This policy may be found in the Corporate Governance section on our website at [www.hobee.com](http://www.hobee.com). We recognise the need to take utmost care in storing and handling all personal data, and work closely with third-party real estate agents to ensure that the highest standards of customer data privacy are maintained throughout all transactions.

In FY2023, we had no complaints concerning breaches of customer privacy and losses of customer data. Considering the commercial proliferation of cyber tools and services that presents an expanding set of cyber risks to businesses globally, we continue to strengthen our cyber capabilities to protect our shareholders' and business partners' personal information. For FY2024, we expect to maintain zero (0) substantiated complaints concerning breaches of customer privacy and loss of customer data.

### Customer Health and Safety (GRI 416-1, 416-2)

Safety is a key priority at Ho Bee Land, and we strive to maintain high overall level of safety across our operations, working closely with relevant authorities during the design stage of our development projects in Singapore and London to obtain planning and building approvals. Throughout the construction process, we ensure that our construction projects adhere strictly to prevailing safety regulations.

We have in place rigorous and systemic efforts to address health and safety adequately throughout each stage of

# SUSTAINABILITY REPORT

the building construction process. Risk assessments are carried out to ensure that our buildings are in compliance with required guidelines and have reasonable mitigating measures in place to reduce residual risk levels. To ensure ongoing adherence to environmentally friendly practices and green procurement, building maintenance is important to safeguard our employees, tenants and customers from potential health risks. Refer to Figure 5 for some of our initiatives. All maintenance works are typically carried out after business hours to minimise inconvenience for our tenants.

In the scope of this Report, all four properties have been assessed for health and safety impacts. In FY2023, there were zero (0) incidents<sup>21</sup> of non-compliance with regulations concerning the health and safety impacts of our products and services which resulted in a fine, warning, or penalty.

## ENRICHING ECONOMIC VALUE

### Economic Performance (GRI 201-1, GRI 201-4)

Our main source of revenue is from the sales of development properties and rental of investment properties. In FY2023, the Company's revenue grew to S\$444.9 million (FY2022: S\$435.6 million), which was contributed mainly by increased development sales in Australia and the resilient rental income across our investment properties. The Company also recorded profit from operations of S\$143.2 million (FY2022: S\$198.0 million). For more information, refer to the financial section of our Annual Report FY2023.

In FY2023, we received S\$138,000 from the government as part of Singapore's SkillsFuture, EnterpriseSG and IRAS wage schemes, as well as job growth incentive. This is an overall 123% increase in financial assistance from the government as compared to FY2022. No financial assistance was received for the three properties in London.

We intend to strengthen our economic performance and increase the economic value retained by remaining resilient, securing a recurring income base, reasonably reducing our operating costs, and continuing to seek opportunities for investments.

### TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD") REPORT

Singapore is steadily ramping up its sustainability drive after the launch of the Singapore Green Plan 2030, and we find ourselves in a critical position to address one of the most pressing environmental risks confronting businesses today – climate change.

In FY2023, we have progressed in our climate journey to align to the TCFD framework by performing a qualitative scenario analysis across our four investment properties<sup>22</sup> based in Singapore

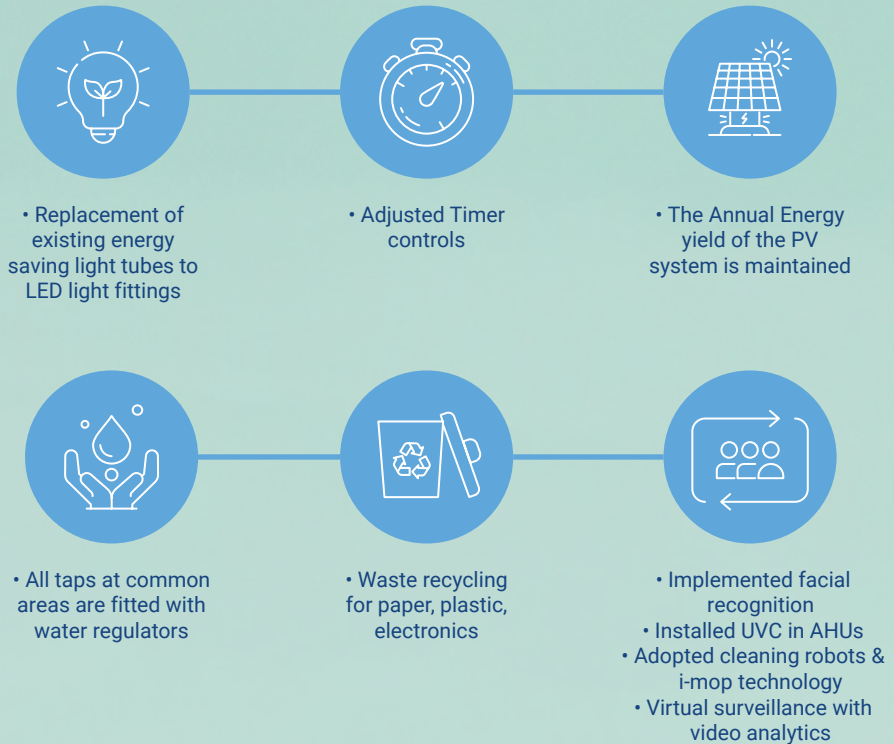


Figure 5

GRI 201-4: FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT	SINGAPORE			
	FY2020	FY2021	FY2022	FY2023
Total financial assistance received from the government (S\$)	1,105,445	255,609	61,790	138,000

<sup>21</sup> Significant incidents refer to incidents resulting in a fine of more than S\$10,000 or fines lesser than that but resulting in negative reputational impact.  
<sup>22</sup> Includes The Metropolis in Singapore and 1 St Martin's Le Grand, Ropemaker Place, and The Scalpel in the United Kingdom.

# SUSTAINABILITY REPORT

and London, which covered 80% of Ho Bee's portfolio by asset value. This climate disclosure is the result of our efforts and is our first publication aligned with the recommendations of the TCFD.

Building on the four pillars of the TCFD framework, this section of the report focuses on the climate-related risks assessment and GHG emissions measurement (scope 1 and scope 2) performed in FY2023.

## 1. Governance

The Board has ultimate responsibility over our progress towards sustainability. They maintain oversight on the identification of climate-related risks and opportunities, as well as the planning and monitoring of climate risk management and internal control systems.

In FY2022, the Board discussed and validated our three-year TCFD alignment roadmap and the climate-related risks identified. Looking forward, the Board will discuss and review our climate risks and opportunities, progress and targets on a half-yearly basis. In FY2023, the Board has formally established a Board Sustainability Committee, which will assist the Board in its oversight of the Company's ESG strategy and initiatives.

Members of the management team comprise of the Sustainability team, which is in charge of identifying and managing climate-related risks and opportunities. The team is also in charge of promptly updating the Board Sustainability Committee on climate-related issues and performance.

Over the next year, the management team will continue working with external consultants to devise risk mitigation strategies, find opportunities and set goals. The team will also work to integrate climate risks into the Enterprise Risk Management process and ensure that internal auditors take climate-related risks into account when evaluating internal controls.

## 2. Strategy

In FY2023, we performed our first qualitative climate scenario analysis to identify and evaluate the impacts of climate change on our investment properties. We selected four of our investment properties, one

in Singapore and three in the UK, across the two sets of time horizons: short-term (2023), and long-term (2050). The climate scenario utilised in the assessment was Representative Concentration Path (RCP) 2.6 and RCP 8.5 to comprehensively cover potential future climate risks and opportunities. RCP 2.6 represents a low-carbon emission, optimistic scenario, where significant mitigation efforts lead to a peak in greenhouse gas concentrations around mid-century and a decline thereafter. This pathway is aligned with ambitious climate goals, such as those set by the Paris Agreement, and would result in relatively lower global warming and less severe climate impacts. RCP 8.5 is a high-emission scenario, often considered a 'business-as-usual' trajectory, where the world continues with fossil fuel as a primary energy source, leading to high greenhouse gas concentrations and significant global warming. Through analysis, the following primary risks were identified.

**1. GOVERNANCE**  
Ho Bee's governance around climate-related risks and opportunities.



**2. STRATEGY**  
The actual and potential impacts of climate-related risks and opportunities on Ho Bee's businesses, strategy, and financial planning.



**3. RISK MANAGEMENT**  
The processes and systemic efforts used by Ho Bee to identify, assess, and manage climate-related risks.



**4. METRICS AND TARGETS**  
The metrics and targets used to assess and manage relevant climate-related risks and opportunities.



Figure 6: The four thematic areas of the TCFD that represent how organisations operate: governance, strategy, risk management, and metrics and targets

# SUSTAINABILITY REPORT

Table 1. Identified climate-related risks for the four investment properties in Singapore and London

RISK	IDENTIFIED RISKS	LOCATION	RISK / OPP (2030)	RISK / OPP (2050)			
			RCP 2.6	RCP 8.5	RCP 2.6	RCP 8.5	
<b>Physical risks</b> Risks arising from event-driven or longer-term shifts in climate patterns due to climate change	Heat stress	SG	2	2	2	3	
		UK	2	2	2	3	
	Floods (riverine and coastal)	SG	1	1	1	1	
		UK	3	4	3	3	
	Urban floods	SG	1	1	1	4	
		UK	2	3	3	4	
	Water scarcity	SG	1	2	1	3	
		UK	3	4	4	4	
<b>Transition risks</b> Risks arising from regulatory and market changes to address climate change and transition to a low-carbon economy	Policy and regulations	SG	3	1	3	1	
		UK	3	1	3	1	
	Technology	SG	3	1	3	1	
		UK	3	1	3	1	
	Market	SG	4	1	4	1	
		UK	4	1	4	1	
	Reputation	SG	4	1	4	1	
		UK	4	1	4	1	

Legend

Risk	1	2	3	4	5
Opportunity	1	2	3	4	5

Lower

Higher

Even though minimal physical risk is typically expected from the RCP 2.6 scenario, we have identified that the London properties may be impacted by potential riverine flooding (from the Thames River) and urban flooding (from increased surface runoff and precipitation) in both RCPs. We note that we are well-positioned for potential transitional risks as the world transitions towards a net-zero economy.

### Impacts of Climate-related risks and opportunities on our business strategy and financial planning.

We have assessed the effects of climate change on our business and financial outlook, across both RCP 2.6 and RCP 8.5. This scenario underscores a heightened probability of climate-related influences on our business operations and financial statements over the next 26 years.



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Table 2. Qualitative analysis on expected business and financial impacts

RISK & OPPORTUNITY DRIVERS	EXPECTED BUSINESS IMPACT	EXPECTED FINANCIAL IMPACT
Heat stress	Increase in energy and GHG emissions	Increased operating cost
	Vulnerability of workers to heat-related stress and the deployment of infrastructure to protect the workers	Increased capital expenditure and delays in operations
	Decreased worker productivity	Potential loss of revenue and profitability due to reduced output and efficiency of workers
Floods (riverine and coastal) and urban floods	Damages to asset	Increase in repair and maintenance cost Decrease in asset value and increased cost of capital
	Adaptive measures to future-proof assets against floods	Increased capital expenditure on retrofitting cost for future floods
	Increased insurance claims against flood damages	Increased insurance premiums and potential reduced availability of insurance on assets in 'high-risk' locations
	Business disruptions to tenants and their customers	Potential temporary or permanent loss in rent from existing tenants
		Decrease in asset value and increased cost of capital Litigation action from tenants whose businesses were impacted by the flood
Resources (water)	Disruption from business activities that require water	Potential loss of revenue and profitability from activities that cannot be conducted or have to be scaled down
	Investors and buyers are aware of water scarcity in	Reduced valuation of properties as a result of water scarcity
	Increasing regulatory pressure on businesses to demonstrate responsible water usage and management practices	Increased capital expenditure into water management systems
		Potential increased cost as a result of water tax or fines for water mismanagement Increased cost for water usage due to scarcity
Policy and regulations	Increase in carbon pricing and a decrease in GHG emission threshold	Increased operating costs to pay carbon tax
Technology	Development and availability of new lower GHG emitting technologies	Increased capital expenditure to replace old retrofitting
	New disruptive technologies and trends	
	Stranded assets	Removal of assets that may still have a useful lifespan
	Decreased grid reliance and energy usage	Decreased cost in purchased energy and scope 2 emissions
Market	Supply Chain Disruptions	Operations impacted and/or increased cost for changing to materials or products with lower carbon footprints
	Lower cost of capital due to compliance to environmental policies and regulations	Decreased cost in borrowing and raising of funds
		Wider availability of funds
Reputation	Stakeholders' (investors, tenants, and public) preferences for properties that are green certified	Increased valuation due to 'greenium'

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## Resilience of our strategy for identified risks and opportunities.

At Ho Bee Land, we are committed to proactively addressing sustainability challenges and capitalizing on emerging opportunities to drive long-term value creation. Our strategy encompasses a framework designed to identify, assess, and respond to climate-related risks and opportunities.

Our strategy encompasses a multifaceted approach, including investments in technology and innovation to mitigate environmental impacts, proactive engagement with stakeholders to build trust and foster collaboration, and integration of sustainability considerations into our business decision-making process. Furthermore, we will continuously monitor and review our resilience strategies to ensure effectiveness and adaptability in the face of evolving challenges and opportunities.

### 3. Risk management

We have utilized both RCP 2.6 and RCP 8.5 scenarios, spanning the time horizons of 2030 and 2050, to analyse potential climate risks and opportunities. The selection of these time horizons serves a dual purpose: the 2030 horizon facilitates the assessment of near-term goals and the effectiveness of current climate risk mitigation strategies, while the 2050 horizon extends the analysis to provide insights into long-term objectives like those outlined in the Paris Agreement.

Drawing upon these projections, we have developed and refined strategies to both mitigate and adapt to foreseeable climate

risks impacting our business and financial landscape. Our approach to identifying, assessing, and mapping these climate-related risks was structured:

1. Goal setting and selection of appropriate scenarios
2. Model the scenario based on credible data sources and tools
3. Analyse the physical and transitional impact
4. Imbue country-specific nuances into the analysis
5. Map out the recommendations according to business and financial impacts

### Integrating the process of risk identification into our overall risk management

To effectively integrate climate risk into our overall risk management, we have conducted a qualitative climate scenario analysis. This study will enable us to plan our adaptation and mitigation strategies to bolster the long-term resilience and efficiency of our operations. In the upcoming years, we may consider the identification of climate risks and opportunities across other RCP scenarios or quantitate the potential financial impacts of the identified climate risks and opportunities.

### 4. Metrics and Targets

We recognise the associated risks of emissions if we do not adapt promptly or transition to a low-carbon business, and thus, have taken the step to measure and quantify our GHG footprint (scope 1 and scope 2).

Our scope 1 and 2 emissions comprise those from the four investment properties. Table 3 summarises the FY2023 emissions data. Please refer to the above Greenhouse Gas Emissions (GRI 305) section for more details.

In FY2023, we have set a short-term target to achieve 18% reduction in GHG emissions by FY2026 with FY2023 as our baseline year. The target only includes 3 of our properties for now – Metropolis, Ropemaker and Scalpel. 1 St. Martin's Le Grand ("1SMLG") has not been included in the target-setting as it has been slated for retrofitting and will be included in the target after it has been retrofitted. However, to provide a fuller view of the emissions from our operations we have included it in our reporting scope and will be reporting the emissions generated from 1SMLG in this report. Going forward, managing and expanding our GHG inventory to include Scope 3 emissions will be a key metric for us to quantify and reduce our climate-related risks. We also acknowledge that our portfolio poses transformative climate-related opportunities, especially within the real estate sector. As such, we are investigating methods to increase our investments in the transition to a low-carbon economy.

We recognise that the process of aligning to TCFD is an ongoing journey, and will continue collaborating with specialists and stakeholders to enhance our climate-related disclosures in the coming years by exploring scenario analyses, developing procedures for managing climate-related risks as well as looking towards developing our Scope 3 GHG carbon inventory.

Table 3: Summary of FY2023 Scope 1 and 2 emissions

	FY2023	
	EMISSION (TCO <sub>2</sub> E)	EMISSION INTENSITY (TCO <sub>2</sub> E/M <sup>2</sup> ) <sup>23</sup>
Scope 1 (tCO <sub>2</sub> e)	2,154	0.03
Scope 2 (tCO <sub>2</sub> e)	3,130	0.04
Total	5,284	0.07

<sup>23</sup> The Scalpel was only acquired in March 2022 but for the purposes of ensuring intensity figures reflected are accurate and comparable, in the calculation of intensity, total emissions included full-year data (January 2022 to December 2022) from The Scalpel. The intensity data for FY2022 was also restated due to recalculation of the gross floor area to accurately reflect the common areas of our properties ("GFA") at 77,704 m<sup>2</sup>, compared to the previous calculation of 88,311 m<sup>2</sup>.

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## TCFD

DETAILS OF FOUR THEMATIC AREAS	RECOMMENDED DISCLOSURES	PAGE REFERENCE
<b>GOVERNANCE</b>		
Disclose the organisation's governance around climate-related risks and opportunities	a) Describe the board's oversight of climate-related risks and opportunities	Page 22
	b) Describe management's role in assessing and managing climate-related risks and opportunities	Page 22
<b>STRATEGY</b>		
Disclose the organisation's governance around climate-related risks and opportunities.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Page 22
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Page 23-24
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Page 23
<b>RISK MANAGEMENT</b>		
Disclose how the organisation identifies, assesses, and manages climate-related risks.	a) Describe the organisation's processes for identifying and assessing climate-related risks.	Page 25
	b) Describe the organisation's processes for managing climate-related risks.	Page 25
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Page 25
<b>METRICS AND TARGETS</b>		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Page 25
	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Page 25
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Page 25

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